



# **Shadman**

## **Cotton Mills Limited**

**45th ANNUAL REPORT 2024**

# Shadman Cotton Mills Limited

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






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







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## **VISION STATEMENT**

To be a dynamic, profitable and growth oriented Organization through dedication, integrity and professionalism.

## **MISSION STATEMENT**

**Our mission is to achieve higher level of sustainable growth and profitability by:**

- a) Striving for excellence and sustaining position as a preferred supplier of yarn with a customers focused strategy.
- b) Providing diversified and value added textile products.
- c) Building a long term relationship with our customers, suppliers and other stake holders.
- d) Enhancing the profitability by employing latest technologies for achieving higher levels of efficiency, quality and productivity.
- e) Continuously responding to the changing needs of all our customers.
- f) Nurturing a work culture that generates creativity, enthusiasm, participation and professionalism.
- g) Developing motivation and retaining people to achieve high team performance.
- h) Being a good corporate citizen by fulfilling our social responsibilities.

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	MR. SHAHID MAZHAR (Chief Executive) MRS. GHAZALA SHAHID (Chairperson) MR. AHMED BIN SHAHID MR. MUHAMMAD AFNAN SHAHID MR. MUHAMMAD AKHTAR MR. NADEEM BHATTI MR. HAMID BASIR
<b>AUDITORS</b>	MUSHTAQ & COMPANY CHARTERED ACCOUNTANTS
<b>LEGAL ADVISOR</b>	MR. FAZAL MAHMOOD (ADVOCATE)
<b>AUDIT COMMITTEE</b>	MR. NADEEM BHATTI (Chairman) MRS. GHAZALA SHAHID (Member) MR. MUHAMMAD AKHTAR (Member)
<b>H.R. AND REMUNERATION COMMITTEE</b>	MR. HAMID BASIR (Chairman) MR. AHMED BIN SHAHID (Member) MR. MUHAMMAD AFNAN SHAHID (Member)
<b>CHIEF FINANCIAL OFFICER</b>	MR. SHAHID MAHMUD
<b>COMPANY SECRETARY</b>	MR. MUHAMMAD AKHTAR
<b>BANKERS</b>	ALLIED BANK LIMITED SONERI BANK LIMITED THE BANK OF PUNJAB HABIB BANK LIMITED MEEZAN BANK LIMITED
<b>REGISTERED OFFICE</b>	3.5 KM FEROZE WATOAN WARBURTON ROAD KOT SHAH MUHAMMAD NEAR CHANDI KOT TEHSIL & DISTRICT NANKANA SAHIB TEL: 056-3731270-72
<b>HEAD OFFICE</b>	3.5 KM FEROZE WATOAN WARBURTON ROAD KOT SHAH MUHAMMAD NEAR CHANDI KOT TEHSIL & DISTRICT NANKANA SAHIB TEL: 056-3731270-72
<b>SHARE REGISTRAR</b>	M/S HAMEED MAJEED ASSOCIATES (PVT.) LTD. H.M. HOUSE, 7-BANK SQUARE LAHORE. TEL: 042-37235081-82 FAX: 042-37358817
<b>MILLS</b>	3.5 KM FEROZE WATOAN WARBURTON ROAD KOT SHAH MUHAMMAD NEAR CHANDI KOT TEHSIL & DISTRICT NANKANA SAHIB TEL: 056-3731270-72
<b>URL</b>	WWW.SHADMAN.COM.PK

# Shadman Cotton Mills Limited

## SHADMAN COTTON MILLS LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Fifth Annual General Meeting of the Shareholders of **SHADMAN COTTON MILLS LIMITED** will be held at Registered Office 3.5 KM Feroze Watoan Warburton Road, Kot Shah Muhammad Near Chandi Kot Tehsil & District Nankana Sahib on Wednesday, **November 27, 2024 at 10.30 a.m.** to transact the following business:

#### **ORDINARY BUSINESS:**

1. To confirm the minutes of Extraordinary General Meeting of the members of the Company held on Monday, July 22, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Chairperson's Review, Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration. The present Auditors M/s Mushtaq & Company, Chartered Accountants, retire and being eligible offered themselves for re-appointment.

#### **ANY OTHER BUSINESS:**

4. To consider and approve the lease or rent out any vacant buildings of the company as disclosed in Investment Property note of the financial statements for increase in funds inflow of the company by passing the following resolutions, with or without any modification, addition or deletion.

"RESOLVED, that approval and consent of the general meeting be and is hereby accorded for the lease or rent out any vacant buildings as disclosed in Investment Property note of the financial statements of the company and the Chief Executive Officer of the company be and is hereby authorized to lease or rent out any portion of buildings of the company in such manner, on such basis and on such terms and subject to such conditions as may be deemed in the best interest of the company."

"FURTHER RESOLVED, that the Chief Executive Officer or his nominee(s)/representative(s) be and is/are hereby authorized and empowered on behalf of the company to do all acts, deeds and things and take all necessary steps including negotiations and signing of the documents, deeds and papers, agreements and all other documents as may be necessary to give effect to implement the resolution as aforesaid and all matters connected, necessary and incidental thereto."

5. To transact any other business with the permission of the Chair.

**By order of the Board**



**(MUHAMMAD AKHTAR)**  
Company Secretary

Place: Lahore  
Dated: November 04, 2024

#### **NOTES:**

1. **Closure of Share Transfer Books:** The Share Transfer Books of the Company will remain closed from November 20, 2024 to November 27, 2024 both days inclusive. Transfers received at Hameed Majeed Associates (Pvt) Ltd H.M House, 7 Bank Square Lahore by the close of business on November 19, 2024 will be treated in time for the purpose of above entitlement to the transferees.

# Shadman Cotton Mills Limited

2. **Participation in Annual General Meeting (AGM) through electric means:** The shareholders intended to participate in the AGM through electronic means, are hereby requested to get themselves registered with the company Secretary Office by providing the required details by the end of business on Saturday, November 23, 2024 through following means:

- a) Mobile/WhatsApp No. 0333-4646499  
b) E-mail address: [finance@shadman.com.pk](mailto:finance@shadman.com.pk)

Required information: Name, CNIC Number, Folio/CDC Account Number and E-mail ID for their identification.

Upon receipt of above information from the interested shareholders, the company will provide login credentials to participate in AGM via electronic means.

3. **Participation in Annual General Meeting:** A member entitled to participate and vote at this meeting is entitled to appoint another proxy to participate and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the company duly stamped and signed not later than 48 hours before the time of the meeting.

#### **For Appointing Proxies:**

- a) In case of individuals the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with proxy form.
- b) In case of corporate entities, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the Corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company.
4. **CNIC/IBAN for E-Dividend Payment:** Pursuant to section 242 of the Companies Act 2017, members are requested to provide their CNIC's and bank details including name of the bank branch and IBAN Number to receive their cash dividend directly into their bank account. Therefore, all the members who have not yet provided their CNIC and bank account details are again reminded to immediately submit a copy of their CNIC and duly filled Dividend Bank Mandate Form to the company's share registrar. In absence of valid bank account and CNIC, dividend amount will be withheld in compliance with the provisions of the Act and Regulations made by the commission. The Dividend Bank Mandate Form is available on the company's website.

Members who hold shares in CDC accounts are requested to provide their bank mandates to their respective participants.

5. **Circulation of Annual Report:** Pursuant to the SECP notification SRO 389(I)/2023 dated March 21, 2023, the shareholders of Shadman Cotton Mills Limited had accorded their consent for circulation of Annual Report and notice of Annual General Meeting electronically, i.e. through email. The members are required to submit their email addresses at Registered Office of the Company on a standard request form which is available on Company's website: [www.shadman.com.pk](http://www.shadman.com.pk).

The audited financial statements of the company for the year ended June 30, 2024 have been made available on the Company's website [www.shadman.com.pk](http://www.shadman.com.pk).

The shareholders who wish to receive hard copy of Annual Report may send the standard request to the company secretary/ share registrar on Request Form available on company website. Hard copy of aforesaid documents will be supplied free of cost.

## Shadman Cotton Mills Limited

6. **Tax Deduction:** For cash dividend, the rates of deduction of income tax under section 150 of the Income Tax Ordinance, 2001 are as follows:

. Persons appearing in Active Tax Payers List, (ATL)	15%
. Persons not appearing in Active Tax Payers List (ATL)	30%

In case of joint accounts, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the company/share registrar. If no notification is received each joint holder shall be assumed to have equal number of shares.

The CNIC number/NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayer List (ATL) issued by the FBR from time to time.

7. **Exemption from deduction of Income Tax and Zakat:** Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or necessary documentary evidence for this purpose. Members desiring non-deduction of Zakat are also requested to submit valid declaration for non-deduction of Zakat.

CDC account holders are requested to submit their declaration for non-deduction of Zakat to the relevant members of stock exchange or to CDC if maintaining CDC investor account.

8. **Unclaimed Dividend/Shares:** Shareholders, who by any reason could not claim their dividend/shares, if any, are advised to contact our Share Registrar M/S Hameed Majeed Associates H.M. House, 7 Bank Square Lahore, to inquire about their unclaimed dividend/shares.
9. **Conversion of Physical Shares into CDC Account:** As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the act, i.e. May 30, 2017. Further, vide its letter dated March 26, 2021 SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry system.

In the light of the aforementioned directives, the shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

10. **Video Conference Facility:** Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in a city and holding at least ten percent of the total paid up capital may demand the company to provide the facility of video-link for participating in the AGM. The demand of video-link facility shall be received by the share registrar at the address given above at least seven(7) days prior to the date of the meeting on the Standard Form available on the Company's website [www.shadman.com.pk](http://www.shadman.com.pk).
11. **Change of Address:** Members are requested to immediately notify the change of address, if any to Share Registrar of the Company.

### STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement sets out the material facts concerning the Special Business to be transacted at the AGM of the company to be held on November 27, 2024.



# Shadman Cotton Mills Limited

## Item No. 4 of the notice- Lease or rent out any vacant building of Investment property of the company

Net Book Value of Investment Property as on June 30, 2024	Rs. <u>108,581,278</u>
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The company has rented out vacant portion of this Investment Property in many parts and on utilization basis. It is impracticable to disclose in the notice of AGM the tenure, rental amount, incremental rate, mode/basis of determination of rentals and other important terms and conditions of the agreements.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as provided in the notice of meeting. The Directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding.

## نوٹس برائے سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ شادمان کاتن ملز لمیٹڈ کے حصہ داران کا بینتالیسواں سالانہ اجلاس عام مورخہ 27 نومبر 2024 بروز بدھ کو صبح 10:30 بجے کمپنی کے رجسٹرڈ آفس ایڈریس واقع 3.5 کلومیٹر فیروز وٹواں واربرٹن روڈ، کوٹ شاہ محمد نزد چندی کوٹ تحصیل اور ضلع ننکانہ صاحب میں درج ذیل کاروبار کے لیے منعقد ہوگا:

### عام کاروبار:

1. 22 جولائی 2024 بروز سوموار کو منعقدہ کمپنی کے اراکین کی غیر معمولی اجلاس عام کے منٹس کی تصدیق کرنے کے لیے۔
2. 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو حاصل کرنے، ان پر غور کرنے اور اپنانے، چیئر پرسن کے جائزے، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ منظور کرنے کے لیے۔
3. 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈیٹرز کا تقرر کرنا اور ان کا معاوضہ طے کرنا۔ موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کر رہے ہیں۔

### کوئی اور کاروبار:

4. کمپنی کی کسی بھی خالی عمارت کو لیز پر دینے یا کرایہ پر دینے پر غور کرنا اور منظور کرنا، جیسا کہ کمپنی کے فنڈز کی آمد میں اضافے کے لیے مالیاتی گوشواروں کے انوسٹمنٹ رپورٹی نوٹ میں انکشاف کیا گیا ہے بغیر کسی ترمیم، اضافے یا حذف کے، درج ذیل قرار دادیں پاس کرنا۔

"منظور کیا گیا، کہ جنرل میٹنگ کی منظوری اور رضامندی کسی بھی خالی عمارت کو لیز پر دینے یا کرایہ پر دینے کے لیے دی جائے گی جیسا کہ کمپنی کے مالیاتی گوشواروں میں انوسٹمنٹ رپورٹی کے نوٹ میں ظاہر کیا گیا ہے اور کمپنی کے چیف ایگزیکٹو آفیسر اس کے ذریعے کمپنی کی عمارتوں کے کسی بھی حصے کو اس طریقے سے، ایسی بنیادوں پر اور ایسی شرائط کے ساتھ جو کمپنی کے بہترین مفاد میں سمجھی جائیں، لیز پر دینے یا کرایہ پر دینے کے مجاز ہیں۔"

"مزید منظور کیا گیا، کہ چیف ایگزیکٹو آفیسر یا ان کے نامزد کردہ/نمائندے اس کے ذریعے کمپنی کی جانب سے تمام اعمال، چیزیں اور ضروری اقدامات کرنے کے لیے مجاز اور باختیار ہیں مذکورہ قرار داد کو عملی جامہ پہنانے کے لیے ضروری دستاویزات، ڈیٹیز اور

بپیپرز، معاہدوں اور دیگر تمام دستاویزات پر دستخط کرنا اور اس سے منسلک، ضروری اور واقعاتی تمام معاملات کے مجاز ہیں۔

5. چیئر کی اجازت سے کوئی دوسرا کاروبار کرنا۔

بورڈ کے حکم سے

کمپنی سیکرٹری  
(محمد اختر)

مقام: لاہور تاریخ: 04 نومبر 2024

نوٹس:

1. **حصص کی منتقلی کی کتابوں کی بندش:** کمپنی کی حصص کی منتقلی کی کتابیں 20 نومبر 2024 سے 27 نومبر 2024 تک دونوں دنوں سمیت بند رہیں گی۔ حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ H.M. ہاؤس، 7 بنک اسکوائر لاہور میں 19 نومبر 2024 کو کاروبار کے اختتام تک موصول ہونے والی منتقلیوں کو مذکورہ بالا حقدار کے مقصد کے لیے بروقت سمجھا جائے گا۔

2. **سالانہ اجلاس عام میں برقی ذرائع سے شرکت:** حصص یافتگان جو سالانہ اجلاس عام میں الیکٹرانک ذرائع سے شرکت کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ بروز ہفتہ 23 نومبر 2024 کو کاروبار کے اختتام تک مطلوبہ تفصیلات فراہم کرتے ہوئے کمپنی کے سیکرٹری آفس میں درج ذیل ذرائع سے رجسٹرڈ ہو جائیں:

الف) موبائل/واٹس ایپ نمبر 03334646499

ب) ای میل ایڈریس: [finance@shadman.com.pk](mailto:finance@shadman.com.pk)

**مطلوبہ معلومات:** ان کی شناخت کے لیے نام، CNIC نمبر، فولیو/CDC اکاؤنٹ نمبر اور ای میل آئی ڈی۔

دلچسپی رکھنے والے شیئر ہولڈرز سے اوپر کی معلومات کی وصولی کے بعد، کمپنی الیکٹرانک ذرائع سے سالانہ اجلاس عام میں شرکت کے لیے لاگ ان کی اسناد فراہم کرے گی۔

3. **سالانہ اجلاس عام میں شرکت:** اس میٹنگ میں حصہ لینے اور ووٹ دینے کا حقدار ممبر اپنی طرف سے حصہ لینے اور ووٹ دینے کے لیے ایک اور پراکسی مقرر کرنے کا حقدار ہے۔ پراکسیز کو مؤثر ہونے کے لیے درست مہر اور دستخط کے ساتھ کمپنی کے رجسٹرڈ آفس میں 48 گھنٹے پہلے موصول ہونا چاہیے۔

### پراکسیوں کی تقرری کے لیے:

(ا) افراد کے معاملے میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرائیں گے۔ پراکسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور CNIC نمبر پراکسی فارم پر درج ہوں گے۔ CNIC کی کاپیاں یا فائدہ اٹھانے والے مالکان کے پاسپورٹ اور پراکسی کو فارم کے ساتھ پیش کیا جائے گا۔

(ب) کارپوریٹ اداروں کے معاملے میں، بورڈ آف ڈائریکٹرز کا ریزولوشن/ پاور آف اٹارنی کارپوریٹ ادارے کی جانب سے نمائندگی اور ووٹ دینے کے لیے نامزد شخص کے نمونے کے دستخط کے ساتھ، پراکسی فارم (جب تک یہ پہلے فراہم نہ کیا گیا ہو) کمپنی کو جمع کرایا جائے گا۔

### 4. ای ڈیویڈنڈ کی ادائیگی کے لیے CNIC/IBAN: کمپنیز ایکٹ 2017 کے سیکشن

242 کے مطابق، ممبران سے درخواست کی جاتی ہے کہ وہ اپنے CNIC اور بینک کی تفصیلات بشمول بینک برانچ کا نام اور IBAN نمبر فراہم کریں تاکہ اپنا نقد ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں وصول کریں۔ لہذا، تمام ممبران جنہوں نے ابھی تک اپنے CNIC اور بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں، انہیں دوبارہ یاد دہانی کرائی جاتی ہے کہ وہ اپنے CNIC کی ایک کاپی فوری طور پر کمپنی کے سینئر رجسٹرار کو ڈیویڈنڈ بینک مینڈیٹ فارم کے ساتھ جمع کرائیں۔ درست بینک اکاؤنٹ اور CNIC کی عدم موجودگی میں، کمیشن کی طرف سے بنائے گئے ایکٹ اور ضوابط کی دفعات کے مطابق ڈیویڈنڈ کی رقم روک لی جائے گی۔ ڈیویڈنڈ بینک مینڈیٹ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔ سی ڈی سی اکاؤنٹس میں حصص رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے متعلقہ شرکاء کو اپنا بینک مینڈیٹ فراہم کریں۔

### 5. سالانہ رپورٹ کی سرکولیشن: ایس ای سی پی کے نوٹیفیکیشن SRO 389(I)/2023

مورخہ 21 مارچ 2023 کے مطابق، شادمان کاتن ملز لمیٹڈ کے سینئر ہولڈرز نے ای میل کے ذریعے سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس کی گردش کے لیے اپنی رضامندی ظاہر کی تھی۔ ممبران سے لازمی ہے کہ وہ اپنے ای میل ایڈریسز کمپنی کے رجسٹرڈ آفس

میں ایک معیاری درخواست فارم پر جمع کرائیں جو کمپنی کی ویب سائٹ [www.shadman.com.pk](http://www.shadman.com.pk) پر دستیاب ہے۔

30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ [www.shadman.com.pk](http://www.shadman.com.pk) پر دستیاب کر دیا گیا ہے۔

جو شیئر ہولڈرز سالانہ رپورٹ کی ہارڈ کاپی حاصل کرنا چاہتے ہیں وہ کمپنی کی ویب سائٹ پر دستیاب درخواست فارم پر کمپنی سکرپٹری/ شیئر رجسٹرار کو معیاری درخواست بھیج سکتے ہیں۔ مذکورہ دستاویزات کی ہارڈ کاپی مفت فراہم کی جائے گی۔

**6. ٹیکس کٹوتی:** نقد منافع کے لیے، انکم ٹیکس آرڈیننس، 2001 کے سیکشن 150 کے تحت انکم ٹیکس کی کٹوتی کی شرحیں حسب ذیل ہیں:

- فعال ٹیکس ادا کرنے والوں کی فہرست میں ظاہر ہونے والے افراد 15%
- فعال ٹیکس ادا کرنے والوں کی فہرست میں ظاہر نہ ہونے والے افراد 30%

مشترکہ کہاتوں کی صورت میں، ہر ہولڈر کو انفرادی طور پر فائلر یا نان فائلر سمجھا جائے گا اور ٹیکس ہر جوائنٹ ہولڈر کے شیئر ہولڈنگ کی بنیاد پر کاٹا جائے گا جیسا کہ شیئر ہولڈر کمپنی کو تحریری طور پر مطلع کرے گا۔ رجسٹرار کو اگر کوئی اطلاع موصول نہیں ہوتی ہے تو ہر جوائنٹ ہولڈر کے پاس حصص کی تعداد برابر سمجھی جائے گی۔

NTN/ CNIC نمبر تفصیل اب لازمی ہے اور FBR کی طرف سے وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس پیئر لسٹ کے مطابق ٹیکس کی حیثیت کو جانچنے کے لیے ضروری ہے۔

**7. انکم ٹیکس اور زکوٰۃ کی کٹوتی سے استثنیٰ:** جو اراکین انکم ٹیکس کی کٹوتی سے استثنیٰ چاہتے ہیں یا کم شرح پر کٹوتی کے اہل ہیں ان سے درخواست کی جاتی ہے کہ وہ اس مقصد کے لیے ایک درست ٹیکس ود ہولڈنگ استثنیٰ کا سرٹیفکیٹ یا ضروری دستاویزی ثبوت جمع کرائیں۔ زکوٰۃ کی کٹوتی نہ کرنے کے خواہشمند اراکان سے بھی درخواست ہے کہ وہ زکوٰۃ کی کٹوتی نہ کرنے کے لیے درست اعلامیہ جمع کرائیں۔

سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست ہے کہ وہ زکوٰۃ کی کٹوتی نہ کرنے کے لیے اپنا اعلامیہ اسٹاک ایکسچینج کے متعلقہ ممبران یا سی ڈی سی سرمایہ کار اکاؤنٹ کو برقرار رکھتے ہیں جو جمع کرائیں۔

**8. غیر دعویٰ شدہ ڈیویڈنڈ/حصص:** شیئر ہولڈرز، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ/حصص کا دعویٰ نہیں کر سکے، اگر کوئی ہے تو، انہیں ہمارے شیئر رجسٹرار M/S حمید مجید ایسوسی ایٹس H.M - ہاؤس، 7 بینک اسکوائر لاہور، ان کے غیر دعویٰ کردہ ڈیویڈنڈ/حصص کے بارے میں پوچھ گچھ کرنے کے لیے رابطہ کرنے کا مشورہ دیا جاتا ہے۔

**9. فزیکل شیئرز کو سی ڈی سی اکاؤنٹ میں تبدیل کرنا:** کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر لسٹڈ کمپنی پر لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرے جیسا کہ بیان کیا گیا ہے اور کمیشن کی طرف سے مطلع کردہ تاریخ سے ایکٹ کے آغاز یعنی 30 مئی، 2017 سے چار سال کی مدت کے اندر تبدیل کرے۔ مزید، 26 مارچ 2021 ایس ای سی پی کے اپنے خط کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے شیئر ہولڈر کو اپنی فزیکل سیکیورٹیز کو کتاب میں تبدیل کرنے کے لیے آگے بڑھیں۔

مذکورہ بالا ہدایات کی روشنی میں، فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ CDS شرکت کنندہ/CDC انوسٹر اکاؤنٹ سروسز کے ساتھ CDC اکاؤنٹ کھولیں اور اپنی موجودہ فزیکل سیکیورٹیز کو بک انٹری فارم میں تبدیل کریں۔

**10. ویڈیو کانفرنس کی سہولت:** کمپنیز ایکٹ 2017 کی دفعات کے مطابق کسی شہر

میں رہنے والے کل ادا شدہ سرمائے کا کم از کم دس فیصد رکھنے والے شیئر ہولڈرز

کمپنی سے مطالبہ کر سکتے ہیں کہ وہ اس میں شرکت کے لیے ویڈیو لنک کی سہولت

فراہم کرے۔ سالانہ اجلاس عام میں شرکت کے لیے ویڈیو لنک کی سہولت کا مطالبہ شیئر

رجسٹرار کو اجلاس کی تاریخ سے کم از کم سات (7) دن پہلے اوپر دیئے گئے پتے پر

کمپنی کی ویب سائٹ [www.shadman.com.pk](http://www.shadman.com.pk) پر دستیاب معیاری فارم پر موصول

ہوگا۔

**11. ایڈریس کی تبدیلی:** ممبران سے درخواست کی جاتی ہے کہ ایڈریس کی تبدیلی، اگر

کوئی ہو تو کمپنی کے شیئر رجسٹرار کو فوری طور پر مطلع کریں۔

### **کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان**

یہ بیان 27 نومبر 2024 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں لین دین کے لیے خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

**نوٹس کے آنٹم نمبر 4- کمپنی کی سرمایہ کاری کی جائیداد کی کسی بھی خالی عمارت کو لیز یا کرایہ پر دینا**

30 جون 2024 تک انوسٹمنٹ پراپرٹی کی خالص بک ویلیو 108,581,278 روپے ہے۔

کمپنی نے اس انوسٹمنٹ پراپرٹی کا خالی حصہ کئی حصوں میں اور استعمال کی بنیاد پر کرائے پر دیا ہے۔ سالانہ اجلاس عام کے نوٹس میں مدت، کرایے کی رقم، اضافی شرح، کرایہ کے تعین کا طریقہ/بنیاد اور معاہدوں کی دیگر اہم شرائط و ضوابط کا انکشاف کرنا ناقابل عمل ہے۔

اس کے مطابق، ڈائریکٹرز نے اس معاملے کو شیئر ہولڈرز کے سامنے ان کی منظوری کے لیے رکھا ہے اور عام قرارداد کو پاس کرنے کے لیے جیسا کہ اجلاس کے نوٹس میں فراہم کیا گیا ہے۔ ڈائریکٹرز براہ راست یا بالواسطہ طور پر سوائے ان کے شیئر ہولڈنگ کی حد کے مذکورہ کاروبار میں دلچسپی نہیں رکھتے۔

## **CHAIRPERSON'S REVIEW**

The composition of the Board of Directors represents mix of varied back grounds and rich experience in the fields of business.

The Board provides strategic directions to the company and directs the management to achieve objectives and goals of the company.

Annual evaluation of Board of Directors as required under the Code of Corporate Governance has been carried out to measure the performance and effectiveness of the Board against the objectives of the company set at the beginning of the year and I report that:

1. The overall performance of the Board for the year under review was satisfactory.
2. The Board had full understanding of the vision and mission statements and frequently revisits them to update with the changing conditions.
3. The Board members attended all Board Meetings during the year and participated in important company's matters.
4. The Board undertook an overall review of business risks to ensure effectiveness of risk identification, risk management and internal controls to safeguard assets and interest of the company and shareholders.
5. The Board members regularly received reports on finance / budgets, production and other important matters which helped them to take effective decisions.
6. The board members were updated with regard to achievement of financial results through regular presentations by the management and accordingly received directions and oversight on a timely basis.

I would like to thank the Board members for their commitments, untiring efforts by overcoming the difficulties posed by unstable market environments and safeguard measures taken for against all type of deceases caused during the year.

**Place: Lahore**  
**Date: November 06, 2024**

*Ghazala Shahid*  
**(Mrs. Ghazala Shahid)**  
**CHAIRPERSON**



# Shadman Cotton Mills Limited

## DIRECTORS REPROT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2024

The Directors are pleased to present the 45<sup>th</sup> Annual Report of the Company together with Audited Financial Statements and Auditors reports thereon for the year ended June 30, 2024.

### SUMMARY OF FINANCIAL RESULTS

Following is the brief highlights of the financial results of the Company for the year ended June 30, 2024.

	2024	2023
Rupees in Million		
Turnover-net	731.306	349.130
Gross Profit	4.931	2.577
Operating Profit/(Loss)	(4.840)	162.493
Profit/(Loss) before Taxation	(20.903)	66.091
Profit/(Loss) after Taxation	(108.697)	93.712

### BREAK-UP VALUE AND EARNING PER SHARE

The break-up value of shares as on June 30, 2024 is Rs. 31.99 as compared to Rs. 52.315 as on June 30, 2023. The Loss per share for the year ended June 30, 2024 is Rs. (6.16) as compared to profit per share of Rs. 5.31 of previous year as per computation given below:

	2024	2023
Rupees		
Profit/(Loss) after Taxation	(108,679,939)	93,712,371
No. of ordinary shares	17,636,719	17,636,719
Profit/(Loss) per share	(6.16)	5.31

### OVERVIEW

Regarding amount payable to Excise and Taxation Officer (ETO) Government of Sindh of Rs. 18.316 million it is stated that this amount relates to the year 2008 and the company have submitted the bank guarantees in favor of Excise and Taxation Officer (ETO) Government of Sindh against said liability.

So far as the qualified opinion of auditors regarding trade debts includes an amount receivable from LESCO of Rs. 16.198 million is concerned, it is stated that the matter is in Court of Law. The management is confident of favorable outcome of this case as per opinion of our legal counsel consequently no provision has been recognized against this receivable.

The liability of Meezan Bank Limited of Rs. 28.545 million is already recognized in the books of account of the company on decreed amount as the case is in the Court of Law.

During the year under review, the Company has sustained loss after tax of Rs. (108.679) million as compared to profit after tax of Rs.93.712 million of previous year. The net turnover in the current year is Rs.731.306 million including export sales of Rs.542.905 million as compared to Rs. 349.130 million of last year which shows increase of 109 % on account of increased production. The export-oriented apparel division of the company is working successfully and getting pace with passage of time. Loss per share is Rs.(6.16) as compared to earnings per share Rs. 5.31 of corresponding previous year.

# Shadman Cotton Mills Limited

## FUTURE OUTLOOK

Textile industry in Pakistan is facing international recession along with unusual increase in cost of production like high prices of raw materials, increase in electricity tariff and high inflationary effects on all items of production are disturbing all the industries across the country. As a result of high manufacturing costs and high competition in international markets our profit margins have been reduced. Furthermore, in the recent budget, withdrawal of zero rating on local supplies under Export Facilitation Scheme (EFS), enhanced income tax on exporters and conversion of final tax regime to normal regime would also cause further competitiveness of industry in the country.

However, the management is of the view that they will continue to support the Company in the form of interest free directors' loan to meet company's working capital requirement. Moreover, the management is planning to add further business in apparel division to enhance the export of the company along with other alternative measures in the hope of profits in the coming financial year.

## DIVIDEND

The directors have not recommended any dividend in view of weak financial position of the company for the year ended June 30, 2024.

## CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAME WORK

We confirm that:

- The financial statements have been drawn up in conformity with the Companies Act, 2017 and present fairly the state of its affairs, operating results, cash flow, other comprehensive income and changes in equity.
- Proper books of account have been maintained in the manner required under Companies Act, 2017.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as required by the listing regulations, except as stated otherwise in the statement of compliance with best practices of the code of corporate governance.
- The key operating and financial data for the last six years is annexed to this report.
- Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- The Directors' Report dealing with the performance of the company during the year ended June 30, 2024, future prospects and other matters of concern to the Company forms part of this report.

# Shadman Cotton Mills Limited

## **BOARD OF DIRECTORS**

The Board of Directors consist of: -

**Total Number of Directors is Seven (7)**

- a) Male 6
- b) Female 1

**Composition: -**

- a) Independent Directors 2
- b) Non-Executive Directors 3
- c) Executive Directors 2

The name & position of Board of Directors is as under: -

- |                              |  |
|------------------------------|--|
| 1. Mr. Shahid Mazhar         | Executive Director/Chief Executive Officer |
| 2. Mrs. Ghazala Shahid       | Non-Executive Director/Chairperson         |
| 3. Mr. Ahmed Bin Shahid      | Executive Director                         |
| 4. Mr. Muhammad Afnan Shahid | Non-Executive Director                     |
| 5. Mr. Muhammad Akhtar       | Non-Executive Director                     |
| 6. Mr. Nadeem Bhatti         | Independent Director                       |
| 7. Mr. Hamid Basir           | Independent Director                       |

## **BOARD OF DIRECTOR'S MEETINGS**

The number of Board Meetings held during the year 2023-24 were Five (5). The attendance of the directors is as under: -

<b><u>Sr. #</u></b>	<b><u>Name of Directors</u></b>	<b><u>No. of Meetings Attended</u></b>
1.	Mr. Shahid Mazhar	5
2.	Mrs. Ghazala Shahid	5
3.	Mr. Ahmed Bin Shahid	5
4.	Mr. Muhammad Afnan Shahid	5
5.	Mr. Muhammad Akhtar	5
6.	Mr. Nadeem Bhatti	5
7.	Mr. Hamid Basir	5

## **AUDIT COMMITTEE**

The composition of audit committee members is as under: -

- |                        |          |
|------------------------|----------|
| 1. Mr. Nadeem Bhatti   | Chairman |
| 2. Mrs. Ghazala Shahid | Member   |
| 3. Mr. Muhammad Akhtar | Member   |

During the year Four (4) meetings of Audit Committee were held and the attendance of these meetings is as under: -

- |                        |   |
|------------------------|---|
| 1. Mr. Nadeem Bhatti   | 4 |
| 2. Mrs. Ghazala Shahid | 4 |
| 3. Mr. Muhammad Akhtar | 4 |

# Shadman Cotton Mills Limited

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The composition of Human Resource and Remuneration Committee members is as under:

- |                              |          |
|------------------------------|----------|
| 1. Mr. Hamid Basir           | Chairman |
| 2. Mr. Ahmed Bin Shahid      | Member   |
| 3. Mr. Muhammad Afnan Shahid | Member   |

During the year One (1) meeting of Human Resource and Remuneration Committee was held and the attendance of this meeting is as under: -

- |                              |   |
|------------------------------|---|
| 1. Mr. Hamid Basir           | 1 |
| 2. Mr. Ahmed Bin Shahid      | 1 |
| 3. Mr. Muhammad Afnan Shahid | 1 |

- We confirm that Directors, CFO and Company Secretary and their spouse and minor children have made no transactions in the Company's shares during the year.
- The Statement of Compliance with the Code of Corporate Governance is annexed to this report.
- The Chairperson's Review is endorsed by the Board of Directors.
- Pattern & Category of shareholding as at June 30, 2024 is annexed to this report.

All the transactions with related parties have been executed at arm's length and have been disclosed in the financial statements under relevant notes.

The present Auditors M/S Mushtaq & Company, Chartered Accountants, retire and being eligible offer them-selves for re-appointment. The Audit Committee of Board has recommended the re-appointment of M/S Mushtaq & Company, Chartered Accountants, as external auditors of the company for the year ending on June 30, 2025 on the level of Auditors remuneration to be fixed by the members in the Annual General Meeting.

## **CORPORATE SOCIAL RESPONSIBILITIES (CSR)**

Corporate Social Responsibility (CSR) is about business giving back to society. As routine, we strive to safeguard the health and well-being of our employees, neighbors and customers, as well as the communities in which we live, work and co-operate.

## **SAFETY, HEALTH & ENVIRONMENT**

We maintain a culture of encouraging best health and safety practices amongst our workers by imparting awareness. We are pleased to inform you that there has been no incident of safety and health during the year. The Company actively strives to provide a safe and healthy workplace for its employees toward communities and environment in which it operates. There have been more plantations by increasing the area of green field to improve the environment.

## **WORK-LIFE BALANCE**

In order to promote a health work-life balance, we strictly follow a 9.00 a.m. to 5.00 p.m. working routine. This ensures that our employees have plenty of time after work for extra-curricular activities with their families and friends.

## **GENDER PAY GAP**

The Company is committed to promote a workplace which is free from gender discrimination and which ensures equal pay regardless of gender. Employee remunerations is determined by multiple factors including professional experience, tenure, education, job role, performance and market dynamics. Compensation is based on objective merit base criteria with no gender bias. The

## **Shadman Cotton Mills Limited**

company is focusing on increasing the number of female staff to further diversify and enhance its talent pool.

### **BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES**

The Management is committed to conduct all business activities with integrity, honesty and in full compliances with the current laws and regulations. A code of conduct has been developed and approved by the Board, which is signed by all employees.

### **ENERGY CONSERVATION**

The Company has taken many measures at mills premises to conserve the energy by fixing energy conserving devices.

### **ACKNOWLEDGEMENT**

The Directors of the Company would like to take the opportunity to thank the Shareholders, valued clients and bankers for the co-operation extended by them during the course of business activities. The Directors are also pleased to record their appreciation for the continued diligence and devotion of the staff members and workers of the Company.

**On behalf of the Board of Directors**



**Chief Executive Officer**

**Place: Nankana Sahib**

**On behalf of the Board of Directors**



**Director**

**Date: November 06, 2024**

## ڈائریکٹرز رپورٹ

ڈائریکٹرز کمپنی کے 45 ویں سالانہ اجلاس کی رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشواروں اور اس پر ختم ہونے والے سال 30 جون 2024 کے لیے آڈیٹرز کی رپورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں۔

### مالیاتی نتائج کا خلاصہ

30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج کی مختصر جھلکیاں درج ذیل ہیں۔

2023 جون 30	2024 جون 30	
		(روپے ملین میں)
349.130	731.306	ٹرن اوور نیٹ
2.577	4.931	مجموعی منافع
162.493	(4.840)	آپریٹنگ منافع
66.091	(20.903)	ٹیکس سے پہلے منافع
93.712	(108.697)	ٹیکس کے بعد منافع
		<b>بریک اپ ویلیو اور کمائی فی شیئر</b>

30 جون 2024 کو شیئرز کی بریک اپ ویلیو 31.99 روپے ہے۔ جو کہ 30 جون 2023 میں 52.315 روپے تھی۔ بریک اپ ویلیوز میں، عمارت اور پلانٹ اور مشینری کی تازہ تشخیص کی وجہ سے بڑھ گئی ہے۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے فی شیئر نقصان (6.16) روپے ہے۔ فی حصص منافع پچھلے سال کے 5.31 روپے کے مقابلے میں ذیل میں دی گئی:

2023	2024	
		(روپے)
93,712,371	(108,679,939)	ٹیکس کے بعد منافع
17,636,719	17,636,719	عام حصص کی تعداد
5.31	(6.16)	منافع فی حصص
		جانزہ

ایکسائز اینڈ ٹیکسیشن آفیسر (ای ٹی او) حکومت سندھ کو قابل ادائیگی رقم کے حوالے سے 18.316 ملین روپے بتایا گیا ہے کہ یہ رقم سال 2008 سے متعلق ہے اور کمپنی نے مذکورہ ذمہ داری کے خلاف ایکسائز اینڈ ٹیکسیشن آفیسر (ای ٹی او) حکومت سندھ کے حق میں بینک گارنٹی جمع کرائی ہے۔

جہاں تک تجارتی قرضوں کے حوالے سے آڈیٹرز کی اہل رائے میں لیسکو سے 16.198 ملین روپے کی وصول کی جانے والی رقم شامل ہے۔ بتایا گیا ہے کہ معاملہ عدالت میں ہے۔ انتظامیہ کو ہمارے قانونی وکیل کی رائے کے مطابق اس کیس کے سازگار نتائج کا یقین ہے اس کے نتیجے میں اس قابل وصول کے خلاف کوئی شق تسلیم نہیں کی گئی ہے۔

میزان بینک لمیٹڈ کی واجبات روپے 28.545 ملین پہلے ہی کمپنی کے حساب کتاب میں طے شدہ رقم پر تسلیم شدہ ہے کیونکہ یہ مقدمہ عدالت میں ہے۔

زیر نظر سال کے دوران، کمپنی نے گزشتہ سال کے (108.679) ملین روپے کے بعد از ٹیکس نقصان کے مقابلے میں 93.712 ملین روپے کا بعد از ٹیکس منافع کمایا ہے۔ رواں سال خالص کاروبار 731.306 ملین روپے کا ہے جس میں 542.905 ملین روپے کی برآمدی فروخت بھی شامل ہے۔ پچھلے سال میں خالص کاروبار 349.130 ملین روپے تھا جو کہ بند ہونے والے پیداوار میں اضافے کی وجہ سے 109 فیصد کی اضافہ کو ظاہر کرتا ہے۔ کمپنی کا ایکسپورٹ پر مبنی ملبوسات کا ڈویژن کامیابی سے کام کر رہا ہے اور وقت گزرنے کے ساتھ ساتھ اس کی رفتار بڑھ رہی ہے۔ فی حصص نقصان (6.16) روپے ہے۔ پچھلے سال میں فی حصص آمدنی 5.31 تھی۔

### مستقبل کا آؤٹ لک

پاکستان میں ٹیکسٹائل کی صنعت بین الاقوامی کساد بازاری کا سامنا کر رہی ہے جس کے ساتھ ساتھ پیداواری لاگت میں غیر معمولی اضافے جیسے خام مال کی بلند قیمتیں، بجلی کے نرخوں میں اضافہ اور تمام پیداواری اشیاء پر مہنگائی کے بلند اثرات ملک بھر کی تمام صنعتوں کو پریشان کر رہے ہیں۔ اعلیٰ مینوفیکچرنگ لاگت اور بین الاقوامی منڈیوں میں زیادہ مسابقت کے نتیجے میں ہمارے منافع کا مارجن کم ہو گیا ہے۔ مزید برآں، حالیہ بجٹ میں، ایکسپورٹ فیسیلیٹیشن اسکیم (EFS) کے تحت مقامی سپلائرز پر زیرو ریٹنگ کی واپسی، برآمد کنندگان پر انکم ٹیکس میں اضافہ اور حتمی ٹیکس نظام کو نارمل نظام میں تبدیل کرنے سے بھی ملک میں صنعت کی مزید مسابقت پیدا ہوگی۔

تاہم، انتظامیہ کا خیال ہے کہ وہ کمپنی کی ورکنگ کپیبلٹی کی ضرورت کو پورا کرنے کے لیے بلا سود ڈائریکٹرز کے قرض کی صورت میں کمپنی کی حمایت جاری رکھیں گے۔ مزید برآں، انتظامیہ آنے والے مالی سال میں منافع کی امید میں دیگر متبادل اقدامات کے ساتھ ملبوسات کے ڈویژن میں مزید کاروبار شامل کرنے کی منصوبہ بندی کر رہی ہے تاکہ کمپنی کی برآمدات کو بڑھایا جا سکے۔

### ڈیویڈنڈ

ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کی کمزور مالی پوزیشن کے پیش نظر کسی بھی ڈیویڈنڈ کی سفارش نہیں کی ہے  
کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک  
ہم تصدیق کرتے ہیں کہ:

- مالی بیانات کمپنیز ایکٹ، 2017 کے مطابق بنائے گئے ہیں اور اس کے معاملات کی حالت، آپریٹنگ نتائج، نقد بہاؤ، دیگر جامع آمدنی اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنیوں کے تحت مطلوبہ طریقے سے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔ ایکٹ، 2017۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط کی ضرورت ہے، سوائے اس کے کہ جیسا کہ کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں کی تعمیل کے بیان میں بیان کیا گیا ہو۔
- پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔



• بقایا ڈیویڈنڈ اور ٹیکس، اگر کوئی ہیں، مالی بیانات میں ظاہر کیے گئے ہیں۔

• 30 جون 2024 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی سے متعلق ڈائریکٹرز کی رپورٹ، مستقبل کے امکانات اور کمپنی کے لیے دیگر تشویش کے معاملات اس رپورٹ کا حصہ ہیں۔

### بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی تشکیل مندرجہ ذیل ہے :-

ڈائریکٹرز کی کل تعداد سات (7) ہے

6 (ا) مرد

1 (ب) خاتون

ترکیب :-

2 (ا) آزاد ڈائریکٹرز

3 (ب) نان ایگزیکٹو ڈائریکٹرز

2 (ج) ایگزیکٹو ڈائریکٹرز

کمپنی کے ڈائریکٹرز کا انتخاب 11 مارچ 2023 کو ہوا تھا۔ درج ذیل ڈائریکٹرز کو تین سال کی مدت کے لیے منتخب کیا گیا ہے:

1. جناب شاہد مظہر ایگزیکٹو ڈائریکٹر /

2. مسز غزالہ شاہد نان ایگزیکٹو ڈائریکٹر / چیئر پرسن

3. جناب احمد بن شاہد ایگزیکٹو ڈائریکٹر

4. جناب محمد افنان شاہد نان ایگزیکٹو ڈائریکٹر

5. جناب محمد اختر نان ایگزیکٹو ڈائریکٹر

6. جناب ندیم بھٹی آزاد ڈائریکٹر

7. جناب حامد بصیر آزاد ڈائریکٹر

### بورڈ آف ڈائریکٹرز کے اجلاس

سال 2023-2024 کے دوران منعقدہ بورڈ کے اجلاس کی تعداد (5) تھی۔ ڈائریکٹرز کی حاضری حسب ذیل ہے :-

ڈائریکٹرز کے نام اجلاس کی تعداد

1. جناب شاہد مظہر 5
  2. مسز غزالہ شاہد 5
  3. جناب احمد بن شاہد 5
  4. جناب محمد افنان شاہد 5
  5. جناب محمد اختر 5
  6. جناب ندیم بھٹی 5
  7. جناب حامد بصیر 5
- آڈٹ کمیٹی**

آڈٹ کمیٹی کے ارکان کی تفصیل حسب ذیل ہے:-

1. جناب ندیم بھٹی چیئرمین
2. مسز غزالہ شاہد ممبر
3. جناب محمد اختر ممبر

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے اور ان اجلاسوں کی حاضری حسب ذیل ہے:-

1. جناب ندیم بھٹی 4
2. مسز غزالہ شاہد 4
3. جناب محمد اختر 4

### ہیومن ریسورس اینڈ ریمونریشن کمیٹی

ہیومن ریسورس اور ریمونریشن کمیٹی کے ممبران کی تفصیل حسب ذیل ہے:

1. جناب حامد بصیر چیئرمین
2. جناب احمد بن شاہد ممبر
3. جناب محمد افنان شاہد ممبر

سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا ایک (1) اجلاس منعقد ہوا اور اس اجلاس کی حاضری حسب ذیل ہے:-

1. جناب حامد بصیر 1
2. جناب احمد بن شاہد 1
3. جناب محمد افنان شاہد 1

• ہم تصدیق کرتے ہیں کہ ڈائریکٹرز، سی ایف او اور کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

- کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔
- چیئرمین کے جائزے کی توثیق بورڈ آف ڈائریکٹرز کرتی ہے۔
- 30 جون 2024 تک شیئر ہولڈنگ کا پیٹرن اور زمرہ اس رپورٹ کے ساتھ منسلک ہے۔

متعلقہ فریقوں کے ساتھ تمام لین دین کو مکمل طور پر انجام دیا گیا ہے اور متعلقہ نوٹوں کے تحت مالی بیانات میں ظاہر کیا گیا ہے۔

موجودہ آڈیٹرز M/S مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے وہ خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے ایکسٹرنل آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے جو کہ ممبران کے سالانہ اجلاس عام کے ذریعہ طے کیے جانے والے آڈیٹرز کے معاوضے کی سطح پر ہے۔

### کارپوریٹ سماجی ذمہ داریاں (CSR)

کارپوریٹ سماجی ذمہ داری (CSR) معاشرے کو کاروبار واپس دینے کے بارے میں ہے۔ معمول کے مطابق، ہم اپنے ملازمین، پڑوسیوں اور گاہکوں کے ساتھ ساتھ ان کمیونٹیز کی صحت اور بہبود کے تحفظ کے لیے کوشش کرتے ہیں جن میں ہم رہتے ہیں، کام کرتے ہیں اور تعاون کرتے ہیں۔

### حفاظت، صحت اور ماحولیات

ہم بیداری فراہم کر کے اپنے کارکنوں میں صحت اور حفاظت کے بہترین طریقوں کی حوصلہ افزائی کرنے کا کلچر برقرار رکھتے ہیں۔ ہمیں آپ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ سال بھر کے دوران حفاظت اور صحت کا کوئی واقعہ پیش نہیں آیا۔ کمپنی اپنے ملازمین کے لیے ان کمیونٹیز اور ماحول کے لیے جہاں وہ کام کرتی ہے ایک محفوظ اور صحت مند کام کی جگہ فراہم کرنے کے لیے سرگرم عمل ہے۔ ماحول کو بہتر بنانے کے لیے گرین فیلڈ کے رقبے میں اضافہ کر کے مزید شجرکاری کی گئی ہے۔

### کام اور زندگی کا توازن

صحت کے کام اور زندگی کے توازن کو فروغ دینے کے لیے، ہم صبح 9.00 بجے سے شام 5.00 بجے تک سختی سے عمل کرتے ہیں۔ کام کرنے کا معمول۔ یہ یقینی بناتا ہے کہ ہمارے

ملازمین کے پاس کام کے بعد اپنے اہل خانہ اور دوستوں کے ساتھ غیر نصابی سرگرمیوں کے لیے کافی وقت ہو۔

### جینڈر پے گیپ

کمپنی ایک ایسے کام کی جگہ کو فروغ دینے کے لیے پر عزم ہے جو صنفی امتیاز سے پاک ہو اور جو صنف سے قطع نظر مساوی تنخواہ کو یقینی بنائے۔ ملازمین کے معاوضوں کا تعین متعدد عوامل سے ہوتا ہے جن میں پیشہ ورانہ تجربہ، مدت، تعلیم، ملازمت کا کردار، کارکردگی اور مارکیٹ کی حرکیات شامل ہیں۔ معاوضہ کسی صنفی تعصب کے بغیر معروضی میرٹ کے بنیادی معیار پر مبنی ہے۔ کمپنی اپنے ٹیلنٹ پول کو مزید متنوع اور بڑھانے کے لیے خواتین عملے کی تعداد بڑھانے پر توجہ دے رہی ہے۔

### کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

انتظامیہ تمام کاروباری سرگرمیاں دیانتداری، ایمانداری اور موجودہ قوانین اور ضوابط کی مکمل تعمیل کے ساتھ انجام دینے کے لیے پر عزم ہے۔ بورڈ کی طرف سے ایک ضابطہ اخلاق تیار اور منظور کیا گیا ہے، جس پر تمام ملازمین کے دستخط ہیں۔

### توانائی کا تحفظ

کمپنی نے ملوں کے احاطے میں توانائی کی بچت کرنے والے آلات کو ٹھیک کر کے توانائی کے تحفظ کے لیے بہت سے اقدامات کیے ہیں۔


### شکر گزاری

کمپنی کے ڈائریکٹرز اس موقع پر شیئر ہولڈرز، قابل قدر کلائنٹس اور بینکرز کا کاروباری سرگرمیوں کے دوران تعاون کے لیے شکریہ ادا کرنا چاہیں گے۔ ڈائریکٹرز کمپنی کے عملے کے ارکان اور کارکنوں کی مسلسل محنت اور لگن کے لیے اپنی تعریف ریکارڈ کرتے ہوئے بھی خوش ہیں۔

منجانب بورڈ

  
ڈائریکٹر

منجانب بورڈ

  
چیف ایگزیکٹو آفیسر

جگہ: لاہور تاریخ: 06 نومبر 2024

# Shadman Cotton Mills Limited

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019  
SHADMAN COTTON MILLS LIMITED  
FOR THE YEAR ENDED JUNE 30, 2024

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:
  - a) Male: 6
  - b) Female: 1
2. The composition of Board is as follows:

Category	Directors
Independent Directors	Mr. Nadeem Bhatti
	Mr. Hamid Basir
Non-executive Directors	Mrs. Ghazala Shahid (Chairperson)
	Mr. Muhammad Akhtar
	Mr. Muhammad Afnan Shahid
Executive Directors	Mr. Shahid Mazhar (Chief Executive)
	Mr. Ahmed Bin Shahid

3. All directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. One of the directors is exempt from Directors' Training Program and rest of the board could not attend the Directors' Training Program due to heavy load of work on directors in production matters.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and head of internal auditor, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Nadeem Bhatti	Chairman
Mrs. Ghazala Shahid	Member
Mr. Muhammad Akhtar	Member

## Shadman Cotton Mills Limited

### b) HR and Remuneration Committee

Mr. Hamid Basir	Chairman
Mr. Ahmed Bin Shahid	Member
Mr. Muhammad Afnan Shahid	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
  - a) Audit Committee: Quarterly (Four Meetings)
  - b) HR and Remuneration Committee: Annually (One Meeting)
15. The board has set up an effective internal audit function team who are considered suitably qualified and experienced for the purpose and are well conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, Company Secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with and.
19. Explanation for non-compliance with requirements other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:
  - i) The Board was not able to comply with the requirement of Directors training program due to heavy load of work on directors in production matters.
20. The Board may constitute a separate committee designated as "Nomination Committee" of such number and class of directors as it may deem appropriate in its circumstances.

Currently, the board has not constituted a separate Nominee Committee and the functions are being performed by the human resource & remuneration committee.

## Shadman Cotton Mills Limited

21. The Board may constitute a separate committee designated as "Risk management Committee" of such number and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report the Board. Currently, the board has not constituted a separate risk Management Committee and the senior officers of the company perform the requisite functions and apprise the board accordingly.

*Ghazala Shahid*

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**Ghazala Shahid**  
**Chairperson**

Dated: November 06, 2024

# Shadman Cotton Mills Limited

## Key Operating & Financial Data For the Period from July 2018 to June 2024

PARTICULARS	July-June	July-June	July-June	July-June	July-June	July-June
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover -Net	731,306,818	349,129,692	377,849,670	110,031,908	111,554,212	431,005,657
Cost of Goods Sold	(762,375,015)	(346,552,569)	(352,932,424)	(165,587,176)	(136,658,852)	(413,356,190)
Gross Profit / (Loss)	4,931,803	2,577,123	24,917,246	(55,555,268)	(25,104,640)	17,649,467
Operating Profit/(Loss)	(4,840,515)	162,493,366	21,142,116	(47,229,732)	15,175,674	59,384,617
Profit/ (Loss) Before Tax	(12,819,922)	67,899,836	14,908,084	(52,865,581)	10,519,460	17,773,262
Profit/ (Loss) After Tax	(108,697,939)	93,712,371	11,074,544	(56,757,942)	1,008,509	12,641,569
Paid Up Capital	176,367,190	176,367,190	176,367,190	176,367,190	176,367,190	176,367,190
Current Assets	405,474,271	363,867,526	204,557,205	204,402,062	127,106,520	160,691,801
Current Liabilities	491,829,487	400,764,233	760,274,568	781,129,079	661,189,788	728,065,147
Production in '000' Kgs	-	-	-	-	1,240	3,620



# Shadman Cotton Mills Limited

## *Independent Auditor's Review Report to the members of Shadman Cotton Mills Limited on the Statement of Compliance with the Code of Corporate Governance*

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shadman Cotton Mills Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the below instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph Reference	Paragraph Reference	Description
19 (i)	i)	The board was not able to comply with the requirements of Directors Training Program.

Place: Lahore  
Dated: 07-NOV-2024  
UDIN: CR202410724XgdtNy3AG

Mushtaq & Co.  
MUSHTAQ & CO  
Chartered Accountants  
Engagement Partner:  
Nouman Arshad, ACA



# Shadman Cotton Mills Limited

## *Independent auditor's report to the members of Shadman Cotton Mills Limited*

### *Report on the Audit of the Financial Statements*

#### *Qualified Opinion*

We have audited the annexed financial statements of Shadman Cotton Mills Limited ('the Company'), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion except for the effects of the matters described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### *Basis for Qualified Opinion*

- a) As referred in note 14.5 this liability of Rs. 18.316 million was payable to Excise and Taxation Officer (ETO) Government of Sindh. Company had filed the suit against ETO in Sindh High Court against this levy. No copy of suit filed provided to us neither legal advisor confirmed this suit in his direct confirmation. We were also unable to verify the bank guarantees issued in favor of Excise and Taxation Officer (ETO) Government of Sindh.
- b) Trade debts includes an amount receivable from LESCO of Rs. 16.198 million, this receivable is past due since 30<sup>th</sup> June, 2011. The balance is not directly confirmed by the party as the said balance is also under litigation. In our opinion, this past due balance has been impaired but no loss allowance in respect of this receivable balance has been made in the financial statements. The company is also in litigation which is fully disclosed in Note 20.1.3 of these financial statements.
- c) As disclosed in Note 20.1.4, a suit has been filed by the Meezan bank limited before the banking court, Lahore, against recovery of outstanding balance of ijarah rentals amounting to Rs. 51.419 million. Suit decreed by Banking Court for Rs. 28.54 million. Appeal of said decree has been filed in High Court. Bank's execution is also pending before Banking Court Lahore. We have not received bank confirmation for the said amount.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Shadman Cotton Mills Limited

## Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b></p> <p>Refer to note 3.17 &amp; 35 to the financial statements.</p> <p>Revenue from sale of Company's products for the year ended 30 June 2024 has increased by approximately 109% as compared to last year. The Company recognizes revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.</p> <p>There is an inherent risk that revenue may be overstated since the Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the control has been transferred.</p> <p>Considering revenue recognition a significant risk area, we have identified this as a key audit matter.</p>	<p>Our key audit procedures in this area amongst others included the following;</p> <ul style="list-style-type: none"> <li>• Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition;</li> <li>• Evaluated the appropriateness of the Company's revenue recognition accounting policy and its compliance with IFRS 15: 'Revenue from Contracts with Customers'.</li> <li>• Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices;</li> <li>• Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period;</li> <li>• Checked on a sample basis, approval of sales prices by the appropriate authority.</li> <li>• Ensured that presentation and disclosures related to revenue are being addressed appropriately.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

## **Shadman Cotton Mills Limited**

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Board of Directors for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## Shadman Cotton Mills Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### *Report on Other Legal and Regulatory Requirements*

Based on our audit, we further report that except for the matters referred in Basis for Qualified Opinion section of our report, in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Nouman Arshad, ACA.

Mushtaq & Co  
MUSHTAQ & CO  
Chartered Accountants



Lahore.  
Dated: 07-NOV-2024  
UDIN: AR202410724GATUKi8F6

# Shadman Cotton Mills Limited

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized share capital</i>			
16,000,000 (2023: 16,000,000) ordinary shares of Rs. 10 each		<u>180,000,000</u>	<u>180,000,000</u>
Issued, subscribed and paid-up capital	6	176,367,190	176,367,190
Share premium reserve	7	53,218,752	53,218,752
Accumulated losses		(383,752,398)	(285,358,788)
Director's loan	8	210,000,000	210,000,000
Surplus on revaluation of property, plant and equipment	9	762,183,007	768,436,536
<b>TOTAL EQUITY</b>		<b>818,016,551</b>	<b>922,663,690</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	10	254,920,384	294,158,000
Long term payables	11	1,600,000	680,000
Employees benefit obligation	12	7,646,946	11,081,534
Deferred taxation	13	83,897,051	-
		<b>348,064,381</b>	<b>305,919,534</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	243,512,618	169,618,096
Accrued interest/markup	15	-	-
Short term borrowings	16	152,091,317	171,126,317
Current maturity of non-current liabilities	17	49,025,000	53,030,608
Ijarah lease rentals payable	18	28,544,690	28,544,690
Provision for taxation	19	18,655,862	18,442,831
		<b>491,829,487</b>	<b>440,762,542</b>
<b>TOTAL LIABILITIES</b>		<b>839,893,868</b>	<b>746,682,076</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	20	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,657,910,419</u></b>	<b><u>1,669,345,766</u></b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	21	1,049,209,509	1,165,913,953
Investment property	22	108,581,278	111,365,413
Long term deposits	23	28,198,874	28,198,874
Long term loan	24	1,800,000	-
		<b>1,187,789,661</b>	<b>1,305,478,240</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	25	75,852,601	24,549,121
Stock in trade	26	93,824,824	81,397,205
Trade debts	27	95,565,890	127,622,186
Loans and Advances	28	8,624,839	7,117,658
Trade deposits and short term prepayments	29	4,059,009	4,220,202
Other receivables	30	4,222,147	4,678,959
Tax refunds due from Government	31	57,009,003	49,159,451
Short term investments	32	37,862,046	37,768,609
Cash and bank balances	33	28,453,912	27,354,135
		<b>405,474,271</b>	<b>363,867,526</b>
Non-current asset held for sale	34	64,646,487	-
<b>TOTAL ASSETS</b>		<b><u>1,657,910,419</u></b>	<b><u>1,669,345,766</u></b>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Shadman Cotton Mills Limited

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		Rupees	Rupees
Turnover - net	35	731,306,818	349,129,692
Cost of sales	36	(726,375,015)	(346,552,569)
<b>Gross profit</b>		<b>4,931,803</b>	<b>2,577,123</b>
Selling and distribution expenses	37	(29,441,195)	(8,173,034)
Administrative and general expenses	38	(43,748,314)	(38,817,490)
		(73,189,509)	(46,990,524)
Other income	39	63,417,191	206,906,767
<b>Operating profit / (loss)</b>		<b>(4,840,515)</b>	<b>162,493,366</b>
Finance cost	40	(1,768,873)	(484,524)
Other expenses	41	(6,210,604)	(94,109,006)
<b>Profit/(Loss) before Levies and Income Tax</b>		<b>(12,819,992)</b>	<b>67,899,836</b>
Levies	42	(8,083,733)	(1,808,325)
<b>Profit/(Loss) before Income Tax</b>		<b>(20,903,725)</b>	<b>66,091,511</b>
Taxation	43	(87,794,214)	27,620,860
<b>Profit/(loss) after taxation</b>		<b>(108,697,939)</b>	<b>93,712,371</b>
<b>Earnings per share - basic and diluted</b>	44	<b>(6.16)</b>	<b>5.31</b>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Shadman Cotton Mills Limited

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	<i>Note</i>	June 30, 2024	June 30, 2023
		<i>Rupees</i>	<i>Rupees</i>
Profit/(Loss) after taxation for the year		(108,697,939)	93,712,371
<i>Other comprehensive income/ (loss)</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation		5,705,352	1,314,236
Deferred tax on remeasurement of staff retirement benefits		(1,654,552)	(381,128)
		4,050,800	933,108
Revaluation surplus on PPE		-	317,377,236
Deferred tax on revaluation surplus of PPE		-	(36,308,648)
		-	281,068,588
<b>Total comprehensive income</b>		<b>(104,647,139)</b>	<b>375,714,067</b>

*The annexed notes form an integral part of these financial statements.*

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



# Shadman Cotton Mills Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from/(used in) operations	45	38,527,229	51,768,814
Payments for:			
Employees retirement benefits		(1,235,000)	(1,268,397)
Finance cost		(1,482,289)	(484,524)
Income tax		(17,173,084)	(10,561,390)
		<b>(19,890,373)</b>	<b>(12,314,311)</b>
<b>Net cash generated from/(used in) operating activities</b>		<b>18,636,856</b>	<b>39,454,503</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		70,010,000	4,150,000
Purchase of property, plant and equipment		(25,286,471)	(33,238,390)
Short term investment		-	(37,500,000)
Long term deposits		-	(18,100)
		<b>44,723,529</b>	<b>(66,606,490)</b>
<b>Net cash (used in)/generated from investing activities</b>		<b>44,723,529</b>	<b>(66,606,490)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net (decrease) / increase in long term financing		5,800,392	294,345,744
Repayment of long term loan		(49,026,000)	(49,026,000)
Net (decrease) / increase in short term borrowings		(19,035,000)	(111,926,529)
Net (decrease) / increase in accrued mark up		-	(103,514,885)
		<b>(62,260,608)</b>	<b>29,878,330</b>
<b>Net cash (used in)/generated from financing activities</b>		<b>(62,260,608)</b>	<b>29,878,330</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,099,777</b>	<b>2,726,343</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>		<b>27,354,135</b>	<b>24,627,792</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	46	<b>28,453,912</b>	<b>27,354,135</b>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Shadman Cotton Mills Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

	Issued subscribed and paid-up capital	Share Premium reserve	Revenue Reserve Accumulated Profit / (loss)	Directors' Loan	Surplus on revaluation of property, plant & equipment	Total equity
Rupees						
Balance as at July 01, 2022	176,367,190	53,218,752	(384,138,821)	120,000,000	491,502,502	456,949,623
Profit for the year	-	-	93,712,371	-	-	93,712,371
Other comprehensive income	-	-	933,108	-	-	933,108
Transaction with owners	-	-	-	-	-	-
Surplus on revaluation of building-net off deferred tax	-	-	-	-	281,068,588	281,068,588
Current year incremental depreciation- net off deferred tax	-	-	4,134,554	-	(4,134,554)	-
Transferred from liability portion of directors loan	-	-	-	90,000,000	-	90,000,000
Balance as at June 30, 2023	<u>176,367,190</u>	<u>53,218,752</u>	<u>(285,358,788)</u>	<u>210,000,000</u>	<u>768,436,536</u>	<u>922,663,690</u>
Balance as at July 01, 2023	176,367,190	53,218,752	(285,358,788)	210,000,000	768,436,536	922,663,690
Loss for the year	-	-	(108,697,939)	-	-	(108,697,939)
Other comprehensive income	-	-	4,050,800	-	-	4,050,800
Transaction with owners	-	-	-	-	-	-
Surplus on revaluation of building- net off deferred tax	-	-	-	-	-	-
Incremental depreciation- net off deferred tax	-	-	6,253,529	-	(6,253,529)	-
Transferred from Liability portion of directors loan	-	-	-	-	-	-
Balance as at June 30, 2024	<u>176,367,190</u>	<u>53,218,752</u>	<u>(383,752,398)</u>	<u>210,000,000</u>	<u>762,183,007</u>	<u>818,016,551</u>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Shadman Cotton Mills Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 1 THE COMPANY AND ITS OPERATIONS

1.1 Shadman Cotton Mills Limited (the Company) was incorporated in Pakistan as a public limited company on November 24, 1979 and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and sale of yarn and apparel products. The registered office of the Company is situated at 2/E, Block G, Mushtaq Ahmed Gurmani Road, Gulberg II, Lahore. Manufacturing facilities and land covering 328 Kanals 15 Marlas of the company is located at 3.5 K.M, Feroze Watwan, Warburton Road, Kot Shah Mohammad tehsil, Nankana Sahib.

### 2 Basis of Preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest Rupee.

#### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

#### 2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of financial statements (Amendments)	01-Jan-24
IAS 7 Statement of Cash Flows (Amendments)	01-Jan-24
IFRS 16 Leases (Amendments)	01-Jan-24
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	01-Jan-25
IFRS 7 Financial Instruments: Disclosures (Amendments)	01-Jan-26
IFRS 17 Insurance Contracts	01-Jan-26
IFRS 9 Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	01-Jan-26

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRIC 12 Service Concession Arrangement
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

# Shadman Cotton Mills Limited

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Investment property

Property held for capital appreciation and rental yield, which is not in the use of the Company is classified as investment property. Investment Property comprises of building. The company has adopted cost model for its investment property.

### 3.2 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

### 3.3 Employee benefits

#### Short term employees benefits

The company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

#### Post retirement benefits

##### Defined benefit plans

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Amounts recognized in the balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in statement of comprehensive income for the period in which these arise.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

### 3.4 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

#### Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

#### Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/LAS 37.

### 3.5 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 3.6 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

### 3.7 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

# Shadman Cotton Mills Limited

## 3.8 Property, plant and equipment and depreciation

### Owned assets

Operating fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at revalued amount, and buildings, plant and machinery which are carried at revalued amounts less accumulated depreciation. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

### Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

### Depreciation

Depreciation is charged to income on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is material.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

### Impairment

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

## 3.9 Capital work in progress

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

## 3.10 Financial assets and liabilities

### Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

#### Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

#### Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

# Shadman Cotton Mills Limited

## Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

## 3.11 Impairment

### Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 3.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 3.13 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

## 3.14 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows:

Raw material	At weighted average cost or replacement cost whichever is lower
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realizable value whichever is lower
Waste	Net realizable value

Raw material in transit is stated at invoice price plus other charges paid thereon upto the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

## 3.15 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently after deducting allowance for ECLs.

## 3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

# Shadman Cotton Mills Limited

## 3.17 Revenue recognition

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in statement of comprehensive income in the period in which they arise.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

## 3.18 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

## 3.19 Ijarah

Leases in which the significant portion of risks and rewards and ownership is retained by the lessor are classified as Ijarah. Payments made under Ijarah agreements are charged to statement of profit or loss on straight line basis over the lease term of Ijarah agreement.

## 3.20 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the balance sheet date.

Exchange differences, if any, are taken to profit and loss account.

## 3.21 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course of business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act, 2017.

## 4 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further the company is not subject to externally imposed capital requirements.

## 5 Impact of change in accounting policy

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. Effect on the statement of profit or loss is as follows:

	Amount in Rupees		
	Had there been no change in accounting policies	Impact of Change in Accounting Policies	After Incorporating effect of change in accounting policies
Profit/ (loss) before levies and income tax Levies	-	67,899,836	67,899,836
	-	(1,808,325)	(1,808,325)
Profit/ (loss) before income tax	67,899,836	(1,808,325)	66,091,511
Income tax expense	25,812,535	1,808,325	27,620,860
Profit/(loss) for the year	93,712,371	-	93,712,371

# Shadman Cotton Mills Limited

## 6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024		2023	
No. of shares	No. of shares	Rupees	Rupees
<b>Ordinary shares of Rs. 10 each</b>			
11,627,344	11,627,344	116,273,440	116,273,440
6,009,375	6,009,375	60,093,750	60,093,750
<b>17,636,719</b>	<b>17,636,719</b>	<b>176,367,190</b>	<b>176,367,190</b>

The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

## 7 SHARE PREMIUM RESERVE

This represents premium on issue of right ordinary shares. This reserve can be utilized by the company only for the purposes specified in section 81 of the Companies Act, 2017.

## 8 DIRECTOR'S LOAN

This represents interest free loan from directors and repayable at the discretion of the Company. Therefore, this amount is accounted for in accordance with the 'Technical Release- 32' issued by ICAP and is classified under equity.

## 9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT (NET OF DEFERRED TAX)

Note	2024	2023
	Rupees	Rupees
As at beginning of the year - gross	896,508,931	584,955,009
Add:		
Surplus arising on land	-	192,175,000
Surplus arising on building	-	125,202,236
Prior year impairment loss reversed	-	-
	-	317,377,236
Less:		
Disposal of fixed assets	-	-
Less:		
Transferred to equity in respect of: Incremental depreciation on revalued assets	(8,807,787)	(5,823,314)
<b>Closing Balance - Gross</b>	<b>887,701,144</b>	<b>896,508,931</b>
<b>Less: Related deferred tax liability</b>		
Revaluation at the beginning of the year	128,072,395	93,452,507
Deferred tax adjustment due to revaluation on building	-	36,308,648
Amount realized during the year on account of incremental depreciation	(2,554,258)	(1,688,760)
	125,518,137	128,072,395
As at end of the year	<b>762,183,007</b>	<b>768,436,536</b>

## 10 LONG TERM FINANCES - SECURED

Note	2024	2023
	Rupees	Rupees
These represent long term finances utilized under interest/markup arrangements from banking companies		
The Bank of Punjab - Demand finance - I	303,945,384	316,390,935
The Bank of Punjab - Cash Finance	-	26,792,065
	303,945,384	343,183,000
Habib Bank Limited - Term finance	-	4,005,608
	303,945,384	347,188,608
Current maturity presented under current liabilities	(49,025,000)	(49,025,000)
Overdue Payments	-	(4,005,608)
	(49,025,000)	(53,030,608)
	<b>254,920,384</b>	<b>294,158,000</b>

10.1 This represent out of Court settlement through rescheduling/restructuring of entire principal liability of long term financing and short term borrowings of the company payable to The Bank of Punjab as on December 31, 2022, as per bank letter dated January 19, 2023. The finance is secured by charge over operating fixed assets and current assets of the company. The finance carries mark up at the rate of 5.97% and shall be waived 100% at the tail end subject to no default by the company. In case of default, company has to pay a mark up of Rs. 409.629 million. The company has paid 10% down payment of Rs. 39.221 million on January 25, 2023 immediately on signing of letter and balance amount is payable in 36 equal quarterly installments commencing from March 31, 2023.

10.2 During the period the Company made out of court settlement with Habib Bank Limited and the Lum sum amount of Rs. 8.50 million is paid to bank. As per settlement agreement both parties withdraw all pending suits against each other. The Company shall be entitled to waivers i.e. release of personal guarantees / charges and clear ECIB.

10.3 For restrictions on title, and assets pledged as security, refer to note 52 to the financial statements.



# Shadman Cotton Mills Limited

	Note	2024	2023
		Rupees	Rupees
<b>11 LONG TERM PAYABLES</b>			
Security deposit		1,600,000	680,000
		<u>1,600,000</u>	<u>680,000</u>
<b>12 EMPLOYEES BENEFIT OBLIGATION</b>	Note	2024	2023
		Rupees	Rupees
<b>12.1 Movement in present value of defined benefit obligation</b>			
As at beginning of the year		11,081,534	7,965,892
Charged / (credit) to profit or loss for the year	12.2	3,505,764	5,698,275
Benefits paid during the year		(1,235,000)	(1,268,397)
Remeasurements recognized in other comprehensive income	12.4	(5,705,352)	(1,314,236)
As at end of the year		<u>7,646,946</u>	<u>11,081,534</u>
<b>12.2 Charge to statement of profit or loss</b>			
Current service cost		1,805,358	4,726,826
Interest cost		1,700,406	971,449
		<u>3,505,764</u>	<u>5,698,275</u>
<b>12.3 The charge to statement of profit or loss has been allocated as follows</b>	Note	2024	2023
		Rupees	Rupees
Cost of sales	36.2	1,748,422	2,522,856
Administrative and general expenses	38.1	1,757,342	3,175,419
		<u>3,505,764</u>	<u>5,698,275</u>
<b>12.4 Remeasurements recognized in other comprehensive income</b>			
Actuarial (income) / loss arising from changes in:			
Demographic assumptions		-	-
Financial assumptions		(8,155)	32,814
Experience adjustments		(5,697,197)	(1,347,050)
		<u>(5,705,352)</u>	<u>(1,314,236)</u>

## 12.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	Note	2024	2023
Discount rate		14.75%	16.25%
Expected rates of increase in salary		13.75%	15.25%
Expected average remaining working lives of employees		9 years	9 years
<b>12.6 Average duration of the defined benefit obligation</b>			
The average duration of the defined benefit obligation is 8 years.			
<b>12.7 Expected charge to profit or loss for the next financial year</b>			
The expected charge to profit or loss for the year ending June 30, 2025 amounts to Rs. 3.297 million.			
<b>12.8 Sensitivity analysis</b>			

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

# Shadman Cotton Mills Limited

	2024		2023	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		Rupees
Discount rate	+1%	7,061,913	+1%	10,233,736
	-1%	8,280,628	-1%	11,999,831
Expected rate of increase in salary	+1%	8,280,445	+1%	11,999,566
	-1%	7,061,826	-1%	10,233,611

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

## 13 DEFERRED TAXATION

	2024	2023
	Rupees	Rupees
Opening Balance	-	-
recognised / reversed in profit or loss	82,242,499	-
recognised / reversed in OCI	1,654,552	-
Closing balance	83,897,051	-
Deferred tax asset on deductible temporary differences	(94,020,545)	-
Deferred tax liability on taxable temporary differences	177,917,596	-
Net asset/(liability)	83,897,051	-
Less: Deferred income tax asset not recognised	83,897,051	-
<b>Deferred tax assets</b>		
Employees retirement benefits	(2,217,614)	-
Provisions	(14,408,179)	-
Unused tax losses and credits	(77,394,752)	-
	(94,020,545)	-
<b>Deferred tax liabilities</b>		
Operating fixed assets and investment property - owned	88,505,567	-
Revaluation surplus on property, plant and equipment	89,412,029	-
	177,917,596	-
	83,897,051	-

Note	2024	2023
	Rupees	Rupees

## 14 TRADE AND OTHER PAYABLES

Trade creditors		114,268,479	94,798,190
Accrued liabilities		24,292,643	22,291,322
Advances from customers	14.1	5,053,030	-
Workers' Profit Participation Fund	14.2	-	3,817,260
Workers' Welfare Fund	14.3	3,239,899	1,793,117
GIDC Payable	14.4	22,361,383	22,361,383
ETO Payble	14.5	18,316,926	18,316,926
Other Advances	14.6	49,621,394	-
Other payables		6,358,864	6,239,898
		243,512,618	169,618,096

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14.1 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. Nil (2023: Rs.5.71 million) has been recognised in current year in respect of advances from customers at the beginning of period.

	Note	2024 Rupees	2023 Rupees
14.2 Workers' Profit Participation Fund			
As at beginning of the year		3,817,260	907,240
Charged during the year		-	3,817,260
Interest on funds utilized by the Company		444,840	109,626
		4,262,100	4,834,126
Less: Paid during the year		(4,262,100)	(1,016,866)
As at end of the year		-	3,817,260

14.2.1 Interest has been charged at 25.47% (2023: 18.15%) per annum.

	Note	2024 Rupees	2023 Rupees
14.3 Workers' Welfare Fund			
As at beginning of the year		1,793,117	344,751
Charged to profit or loss for the year		1,177,814	1,448,366
Interest charged for the year		268,968	-
Paid during the period		-	-
As at end of the year		3,239,899	1,793,117

14.3.1 Interest has been charged at 15% (2023: Nil) per annum.

#### 14.4 GIDC Payable

	Note	2024 Rupees	2023 Rupees
Infrastructure cess payable - Gas	14.4.1	22,361,383	22,361,383
		22,361,383	22,361,383

14.4.1 Movement in liability recognized in the statement of financial position

	Note	2024 Rupees	2023 Rupees
Balance at beginning of the year		22,361,383	22,801,553
Accrued for the year		-	-
Paid during the year		-	-
		22,361,383	22,361,383

The Company has filed petition W.P.No. 42176 of 2020. Through this petition court has instructed GIDC for reduced payments. Presently the recovery of arrears of GIDC has been stayed vide W.P.No 43274/2021 by the Lahore High Court, Lahore. It is anticipated that this case would be decided in favor of The Company, However, the time frame for decision of the Court cannot be prejudged for the said case.

#### 14.5 ETO Payable

	Note	2024 Rupees	2023 Rupees
Infrastructure fee payable - ETO	14.5.1	18,316,926	18,316,926
		18,316,926	18,316,926

14.5.1 Movement in liability recognized in the statement of financial position

	Note	2024 Rupees	2023 Rupees
Balance at beginning of the year		18,316,926	18,316,926
Accrued for the year		-	-
Paid during the year		-	-
		18,316,926	18,316,926

This represents infrastructure cess levied by Excise and Taxation Officer ('ETO') Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan. The Company and others have filed a suit before the Sindh High Court ('SHC') challenging the levy. The Supreme Court of Pakistan through order has declared all levies and collections before December 26, 2008 to be invalid. During the pendency of decision on the levies and collections on or after December 26, 2008, SHC has directed the petitioners to pay 50% of liability for levies on or after December 26, 2008 to ETO and to arrange bank guarantees for the remaining amount in favour of ETO. The liability represents 50% of levies after December 26, 2008 against which guarantees have been arranged in favour of ETO.

14.6 These include advances against non-current assets amounting to Rs. 26.14 millions (2023: Nil) which are held for sale at year end.

	Note	2024 Rupees	2023 Rupees
15 ACCRUED INTEREST/MARKUP			
Long term finance	15.1	-	39,813,820
Short term borrowings	15.1	-	63,701,065
		-	103,514,885
Less: Waived off during the year		-	(103,514,885)
		-	-

15.1 This represent out of Court settlement through restructuring/rescheduling of mark up liability of the company amounting to Rs. 367.739 million payable to The Bank of Punjab as per letter dated January 19, 2023. This secured by charge over operating fixed assets and current assets of the company. This shall be waived 100% at tail end subject to no default by the company in repayment of principal amount in 36 equal quarterly installments. During the year ended June 30, 2023 the company has reversed the liability of accrued mark up as company is committed to repay the amount of loan as per agreed terms.

	Note	2024 Rupees	2023 Rupees
16 SHORT TERM BORROWINGS			
Unsecured -from related parties (Directors)			
Opening Balance		381,126,317	203,342,072
Received during the year		8,815,000	303,334,245
Repaid during the year		(27,850,000)	(125,550,000)
		362,091,317	381,126,317

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	Less: Equity portion		(210,000,000)	(210,000,000)
		16.1	<u>152,091,317</u>	<u>171,126,317</u>
16.1	This represents temporary loan obtained from director of the Company to meet workings capital requirements. The loan is unsecured and interest free.			
		Note	<u>2024</u>	<u>2023</u>
17	<b>CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>		<i>Rupees</i>	<i>Rupees</i>
	Long term finances	10	<u>49,025,000</u>	<u>53,030,608</u>
		Note	<u>2024</u>	<u>2023</u>
18	<b>IJARAH LEASE RENTALS PAYABLE</b>		<i>Rupees</i>	<i>Rupees</i>
	Ijarah rentals payable		<u>28,544,690</u>	<u>28,544,690</u>
18.1	These represent Ijarah obtained under sale and lease back arrangements for acquiring plant and machinery. The lease was priced at three months KIBOR plus 1.75% per annum, subject to floor and cap of 10% and 24% per annum respectively. Lease rentals were payable quarterly over a tenor of three years with the first installment due from November 2012. Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of assets subject to ijarah lease are borne by the Company. The lease term has expired and the entire outstanding balance represents overdue installments.			
		Note	<u>2024</u>	<u>2023</u>
			<i>Rupees</i>	<i>Rupees</i>
19	<b>PROVISION FOR TAXATION</b>			
	Taxation	19.1	<u>18,655,862</u>	<u>18,442,831</u>
19.1	<b>Taxation</b>			
	Balance at the beginning		18,442,831	13,248,747
	Provision made during the year		18,655,862	18,442,831
			<u>37,098,693</u>	<u>31,691,578</u>
	Adjusted during the year		(18,442,831)	(13,248,747)
			<u>18,655,862</u>	<u>18,442,831</u>
20	<b>CONTINGENCIES AND COMMITMENTS</b>			
20.1	<b>Contingencies</b>			
20.1.1	Shadman Cotton Mills Limited had filed a suit (COS No. 26/2012) against Bank of Punjab (BOP) which included various claims, with a total recovery amounting to Rs. 744.348 million. However, the suit was withdrawn on January 30, 2023, following an amicable settlement between the company and the bank. As a result of this settlement, there is no risk of financial loss to the company related to this case.			
20.1.2	The Bank of Punjab (BOP) had filed a suit (COS No. 23/2012) against Shadman Cotton Mills Limited and other parties for the recovery of Rs. 577.391 million. The suit was decreed by consent on February 10, 2023, following a settlement agreement between the parties. The amount involved in the case has been settled with the bank, and no further financial liability is expected for the company.			
20.1.3	A dispute arose between Shadman Cotton Mills Limited and Lahore Electric Supply Company (LESCO) regarding payments due to the company. The matter was referred to arbitration, and an award was announced on January 12, 2016, entitling the company to Rs. 16.114 millions. Shadman Cotton Mills Limited has filed a petition to have the award made a rule of court, and the case is currently pending before the Civil Court, Lahore. There is no financial loss to the company, as it holds a valid claim against LESCO.			
20.1.4	Meezan Bank filed a suit against Shadman Cotton Mills Limited and others for the recovery of Rs. 51.419 million. The suit was decreed by the Banking Court No. VI, Lahore, for Rs. 28.544 million. An appeal against this decree has been filed in the Lahore High Court (RFA No. 7837/2019), and the execution of the decree is also pending before the Banking Court. The amount involved in this case is the decretal sum of Rs. 28.544 million.			
		Note	<u>2024</u>	<u>2023</u>
			<i>Rupees</i>	<i>Rupees</i>
20.2	<b>Commitments</b>			
	Letters of credit (LC)-Raw Material Purchase		<u>11,482,240</u>	<u>11,626,743</u>
		Note	<u>2024</u>	<u>2023</u>
			<i>Rupees</i>	<i>Rupees</i>
21	<b>PROPERTY, PLANT AND EQUIPMENT</b>			
	Operating fixed assets	21.1	1,030,857,841	1,165,913,953
	Capital work in progress	21.2	18,351,668	-
			<u>1,049,209,509</u>	<u>1,165,913,953</u>

## 21.1 Operating fixed assets

2024													
	COST/REVALUED AMOUNT						DEPRECIATION						Net book value as at June 30, 2024
	As at July 01, 2023	Additions	Revaluation Addition/(Reversal)	Adjustments	Disposals	As at June 30, 2024	Rate %	As at July 01, 2023	For the period	Adjustments	Disposals	As at June 30, 2024	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	
<i>Assets owned by the Company</i>													
Freehold land	501,200,000	-	-	(44,402,737)	-	456,797,263	-	-	-	-	-	-	456,797,263
Buildings	365,400,000	-	-	-	-	365,400,000	2.5%	-	9,135,000	-	-	9,135,000	356,265,000
Plant and machinery	235,000,000	5,334,803	-	(20,300,000)	(50,000,000)	199,834,803	2.5%	-	5,364,253	(256,250)	(410,067)	4,691,336	185,143,467
Office equipment	6,236,286	-	-	-	-	6,236,286	10%	5,003,035	117,325	-	-	5,180,380	1,055,926
Furniture and fixtures	5,551,686	-	-	-	-	5,551,686	10%	3,463,055	189,865	-	-	3,842,918	1,708,768
Vehicles	83,171,954	1,600,000	-	-	(10,819,000)	53,952,954	20%	21,929,883	7,886,648	-	(5,750,984)	24,065,537	29,887,417
	1,196,559,926	6,934,803	-	(64,902,737)	(60,819,000)	1,077,772,992		30,645,973	22,693,089	(256,250)	(6,167,661)	46,915,151	1,030,857,841
<b>2023</b>													
	COST/REVALUED AMOUNT						DEPRECIATION						Net book value as at June 30, 2023
	As at July 01, 2022	Additions	Revaluation Addition/(Reversal)	Adjustments	Disposals	As at June 30, 2023	Rate %	As at July 01, 2022	For the period	Adjustments	Disposals	As at June 30, 2023	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	
<i>Assets owned by the Company</i>													
Freehold land	309,025,000	-	192,175,000	-	-	501,200,000	-	-	-	-	-	-	501,200,000
Buildings	274,303,000	-	125,202,286	-	34,107,236	365,400,000	2.5%	27,948,519	6,138,917	-	34,107,236	-	365,400,000
Plant and machinery	366,308,549	192,000	82,917,737	-	28,782,812	295,000,000	2.5%	20,121,814	8,660,998	-	28,782,812	-	295,000,000
Office equipment	6,101,286	135,000	-	-	-	6,236,286	10%	4,937,674	125,361	-	-	5,063,035	1,173,251
Furniture and fixtures	5,551,686	-	-	-	-	5,551,686	10%	3,442,086	210,999	-	-	3,653,055	1,898,631
Vehicles	33,546,064	32,911,390	-	-	(3,285,500)	63,171,954	20%	19,676,204	4,656,246	-	(2,404,569)	21,929,883	41,242,071
	995,037,585	33,233,990	234,459,499	(62,890,048)	(3,285,500)	1,196,559,926		76,128,107	19,812,483	(62,890,048)	(2,404,569)	30,645,973	1,165,913,953

## 21.11 Disposal of operating fixed assets

	Cost	Accumulated depreciation	Net Book Value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	.....Rupees.....						
<b>Machinery</b>							
Ring Frame RX-240 (4 Nos)	50,000,000	416,667	49,583,333	55,500,000	5,916,667	Negotiation	Gadoon Textile Mills Ltd.
<b>Vehicles</b>							
Toyota Fortuner LEB-18-380	7,450,000	4,074,256	3,375,744	10,550,000	7,174,256	Negotiation	Mr. Hafiz Fahad Bashir Lahore
Toyota Corolla LZC-04-1122	999,000	985,488	13,512	1,180,000	1,166,488	Negotiation	Mr. Atiq ur Rehman Lahore
Honda City LEE-14-2164	2,370,000	691,250	1,678,750	2,780,000	1,101,250	Negotiation	Mr. Muhammad Naveed Ehsan Lahore
<b>2024</b>	<b>60,819,000</b>	<b>6,167,661</b>	<b>54,651,339</b>	<b>70,010,000</b>	<b>15,358,661</b>		
<b>Vehicles</b>							
Toyota Corolla LEE-13-7833	1,705,500	1,423,140	282,360	2,000,000	1,717,640	Negotiation	Mr. Muhammad Zahid UET Housing Society Valencia Town Lahore
Suzuki Mehran LZV-1133	345,000	306,296	38,704	400,000	361,296	Negotiation	Mr. Fahad Arshad House No. 19, Block A, Phase-4, Lahore
Suzuki Wagon R LEE-14-2938	1,235,000	675,133	559,867	1,750,000	1,190,133	Negotiation	Mr. Muhammad Shabbir House No. 27-A/E-90, Block A, Super Town,
<b>2023</b>	<b>3,285,500</b>	<b>2,404,569</b>	<b>880,931</b>	<b>4,150,000</b>	<b>3,269,069</b>		

# Shadman Cotton Mills Limited

	Note	2024 Rupees	2023 Rupees
21.1.2	The depreciation charge for the year has been allocated as follows:		
Cost of sales	36	14,499,253	14,819,915
Administrative and general expenses	38	8,193,836	4,992,568
		<u>22,693,089</u>	<u>19,812,483</u>

21.1.3 Most recent valuation of land, building and plant and machinery of the Company was carried out by an independent valuer Messrs' Sakina Enterprises as on June 30, 2023. For basis of valuation and other fair value measurement disclosures refer to note 51.

Had there been no revaluation, the cost, accumulated depreciation and net book values of revalued items would have been as follows:

	2024		
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees
Freehold land	47,334,333	-	47,334,333
Building on freehold land	14,121,350	2,144,967	11,976,383
Plant and machinery	322,035,352	18,852,443	303,182,909
	2023		
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees
Freehold land	47,334,333	-	47,334,333
Building on freehold land	14,121,350	1,837,880	12,283,470
Plant and machinery	366,700,549	28,790,497	337,910,052

21.1.4 This freehold land and building of 285 Kanals 5.6 Marlas is located at 21 KM, Sheikhpura Road, Ferozwattwan, Off 3.5 KM Warburton Road, Hadbast Mauza, Kot Shah Muhammad, Tehsil Nankana, District, Sheikhpura.

21.1.5 Forced sales value as per the last revaluation report as of June 30, 2023

Asset class	Forced sale value
Freehold land	426,020,000
Building on freehold land	310,590,000
Plant and machinery	216,750,000
	<u>953,360,000</u>

21.2 This relates to cost of machinery being installed at mill and development of software.

22	INVESTMENT PROPERTY	Note	2024 Rupees	2023 Rupees
	Carrying value as at July 01		111,365,413	114,220,936
	Depreciation charged during the period		(2,784,135)	(2,855,523)
	Net book value as at June 30		<u>108,581,278</u>	<u>111,365,413</u>
	<b>Gross carrying value as at June 30</b>			
	Cost		122,267,095	122,267,095
	Accumulated depreciation		13,685,817	10,901,682
			<u>108,581,278</u>	<u>111,365,413</u>
22.1	Depreciation is charged by reducing balance method at the rate % per annum		<u>2.50%</u>	<u>2.50%</u>
22.2	Depreciation charged for the period has been allocated as follows:			
	Other Expenses	41	2,784,135	2,855,523

22.3 The market value of investment property was assessed by independent valuers at June 30, 2024 is Rs.145 million (2023:Rs. 145 million). Valuation of property has been determined by obtaining key market dealers and estate agents to ascertain the asking and selling price of properties of the same nature in the neighborhood and adjoining areas.

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	Note	2024	2023
		Rupees	Rupees
<b>23 LONG TERM DEPOSITS - unsecured, considered good</b>			
Security deposits			
- LESCO		11,343,203	11,343,203
- SNGPL		14,668,324	14,668,324
- Others		2,187,347	2,187,347
		<u>28,198,874</u>	<u>28,198,874</u>
<b>24 LONG TERM LOAN</b>		<b>2024</b>	<b>2023</b>
		Rupees	Rupees
Loan to employees - unsecured, considered good		5,400,000	-
Current maturity	28	(3,600,000)	-
		<u>1,800,000</u>	<u>-</u>
24.1	These represent loan to employees in accordance with the Company policy. This loan does not carry any interest or markup.		
<b>25 STORES, SPARES AND LOOSE TOOLS</b>	Note	2024	2023
		Rupees	Rupees
Store, Spares and Loose Tools		113,257,542	61,954,062
		<u>113,257,542</u>	<u>61,954,062</u>
Less: Impairment allowance for obsolete stores, spares and loose tools		(37,404,941)	(37,404,941)
		<u>75,852,601</u>	<u>24,549,121</u>
25.1	There are no stores, spares and loose tools held exclusively for capitalization.		
25.2	No item of stores, spares and loose tools is pledged as security as at reporting date.		
25.3	Store, spare and loose tools include solar panels amounting to Rs. 44.77 million which are intended to be sold.		
<b>26 STOCK IN TRADE</b>			
Raw material		42,657,006	24,930,957
Work in process		22,631,110	51,771,748
Finished goods	26.1	28,037,208	4,620,130
Waste		499,500	74,370
		<u>93,824,824</u>	<u>81,397,205</u>
26.1	Finished goods stock cost Rs. Nil (2023: Rs. 9.625 million) have been valued at Rs. Nil (2023: Rs. 4.695 million) being the net realizable value of finished goods. The amount charge to profit or loss in respect of finished goods is at cost.		
26.2	No item of stock in trade is pledged as security as at reporting date.		
<b>27 TRADE DEBTS</b>	Note	2024	2023
		Rupees	Rupees
Local - unsecured			
considered good		18,321,279	20,712,256
considered doubtful		1,568,727	-
		19,890,006	20,712,256
Foreign - secured			
considered good		77,545,326	106,909,930
considered doubtful		10,408,994	10,709,709
		87,954,320	117,619,639
Allowance for ECL on trade debts	27.1	107,844,326	138,331,895
		(12,278,436)	(10,709,709)
		<u>95,565,890</u>	<u>127,622,186</u>
<b>27.1 Allowance for ECL on trade debts</b>			
As at beginning of the year		10,709,709	45,393,981
Realised during the year		-	(37,753,398)
Written off during the year		-	-
Recognized during the year		1,568,727	3,069,126
As at end of the year		<u>12,278,436</u>	<u>10,709,709</u>



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	Note	2024	2023
		Rupees	Rupees
<b>28 LOANS AND ADVANCES</b>			
Considered Good			
Advances to suppliers - <i>unsecured</i>		4,866,377	3,845,146
Advances to employees - <i>unsecured, considered good</i>	28.1	124,927	558,780
Loan to employees - <i>unsecured, considered good</i>	24	3,600,000	-
Letters of credit		33,535	2,713,732
		<u>8,624,839</u>	<u>7,117,658</u>
28.1	These represent advances to employees for purchases and expenses on behalf of the Company and those against future salaries and post employment benefits in accordance with the Company policy. These advances do not carry any interest/markup.		
	Note	2024	2023
<b>29 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits	29.1	3,560,000	3,560,000
Prepaid insurance		499,009	660,202
		<u>4,059,009</u>	<u>4,220,202</u>
29.1	The security deposits include guarantee in favour of ETO which carries return at the rate of 16.28% per annum (June 30, 2023: 10.47%)		
<b>30 OTHER RECEIVABLES</b>			
Considered good		4,222,147	4,678,959
Considered doubtful		1,507,300	1,507,300
		5,729,447	6,186,259
Less: Provision for doubtful receivables	30.1	(1,507,300)	(1,507,300)
		<u>4,222,147</u>	<u>4,678,959</u>
30.1	<b>Movement in provision for doubtful other receivables</b>		
As at beginning of the year		1,507,300	1,507,300
Recognized during the year		-	-
Write off during the year		-	-
As at end of the year		<u>1,507,300</u>	<u>1,507,300</u>
<b>31 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Advance income tax	31.1	28,873,965	25,115,915
Sales tax refundable		28,135,038	24,043,536
		<u>57,009,003</u>	<u>49,159,451</u>
31.1	<b>Advance income tax</b>		
Opening balance		25,115,915	20,237,682
Advance tax deducted during the year		17,180,467	10,561,390
Advance tax adjusted during the year		(13,422,417)	(5,683,157)
Closing balance		<u>28,873,965</u>	<u>25,115,915</u>
<b>32 SHORT TERM INVESTMENTS</b>			
This represents investment in listed equity securities held for trading classified as "financial assets at fair value through profit or loss" and investment in TDRs. Particulars of investments are as follows:			
	Note	2024	2023
		Rupees	Rupees
Investments in listed securities	32.1	362,046	268,609
Term deposit certificates	32.2	37,500,000	37,500,000
		<u>37,862,046</u>	<u>37,768,609</u>
Cost		268,609	265,500
Fair value adjustment		93,437	3,109
		<u>362,046</u>	<u>268,609</u>

# Shadman Cotton Mills Limited

## 32.1 Market value of investments

MCB Bank 357 (2023: 357) shares	81,046	40,609
Engro Powergen Qadirabad 10,000 (2023: 10,000) shares	281,000	228,000
	<u>362,046</u>	<u>268,609</u>

32.2 These represent term deposits with the commercial banks having maturity period of one month and carry interest rate ranging from 2.69% to 22.92% (2023: 4.47% to 20.67% ) per annum.

## 33 CASH AND BANK BALANCES

Cash in hand	15,783	2,100
Cash at banks		
Current accounts-Local	12,393,739	15,992,854
Current accounts-Foreign	8,814,034	11,328,394
Deposit/saving accounts - Local	7,230,356	30,787
	<u>28,438,129</u>	<u>27,352,035</u>
<b>Total</b>	<u><b>28,453,912</b></u>	<u><b>27,354,135</b></u>

33.1 Effective markup rate in respect of deposit/saving accounts, for the year, ranges from 20.41% to 21.68% (2023: 12.25% to 19.50%).

## 34 NON - CURRENT ASSETS HELD FOR SALE

Land	34.1	44,402,737	-
Plant and Machinery	34.2	20,243,750	-
		<u>64,646,487</u>	<u>-</u>

34.1 This represents a land located at 3.5 K.M, Feroze Watwan, Warburton Road, Kot Shah Mohammad tehsil, Nankana Sahib 43 kanals and 9.4 marlas in respect of which sale negotiation is at advance stage.

34.2 This represent generator , which has been sold subsequent to the year end.

## 35 TURNOVER - NET

	2024		
	Local Rupees	Export Rupees	Total Rupees
Raw material	219,845,820	-	219,845,820
Apparel Sales	-	542,905,151	542,905,151
Other Sales	2,468,147	-	2,468,147
Processing services	-	-	-
	<u>222,313,967</u>	<u>542,905,151</u>	<u>765,219,118</u>
Sales tax	(33,912,300)	-	(33,912,300)
	<u>188,401,667</u>	<u>542,905,151</u>	<u>731,306,818</u>
	2023		
	Local Rupees	Export Rupees	Total Rupees
Raw material	101,128,303	-	101,128,303
Apparel Sales	-	257,202,464	257,202,464
Processing services	7,188,654	-	7,188,654
	<u>108,316,957</u>	<u>257,202,464</u>	<u>365,519,421</u>
Sales tax	(16,389,729)	-	(16,389,729)
	<u>91,927,228</u>	<u>257,202,464</u>	<u>349,129,692</u>

35.1 Export sales includes exchange loss of PKR 0.98 million (2023: PKR 4.38 million).

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	Note	2024 Rupees	2023 Rupees
<b>36 COST OF SALES</b>			
Raw material consumed	36.1	438,400,041	185,555,715
Stores, spares and loose tools consumed		67,074,212	26,685,904
Salaries, wages and benefits	36.2	134,517,631	93,993,526
Power and fuel		47,904,970	20,527,771
Insurance		420,307	227,214
Repair and maintenance		5,879,569	2,370,453
Travelling and conveyance		3,382,741	2,821,148
Depreciation	21.1.2	14,499,253	14,819,915
Others		8,997,861	10,240,319
Manufacturing cost		721,076,585	357,241,965
Work in process			
As at beginning of the year		51,771,748	44,975,791
As at end of the year		(22,631,110)	(51,771,748)
		29,140,638	(6,795,957)
Cost of goods manufactured		750,217,223	350,446,008
Finished goods			
As at beginning of the year		4,694,500	801,061
As at end of the year		(28,536,708)	(4,694,500)
		(23,842,208)	(3,893,439)
		726,375,015	346,552,569
<b>36.1 Raw material consumed</b>			
As at beginning of the year	Note	24,930,957	12,322,399
Purchased during the year		456,126,090	198,164,273
As at end of the year		(42,657,006)	(24,930,957)
		438,400,041	185,555,715
<b>36.2</b> These include charge in respect of employees retirement benefits amounting to Rs.1.748 millions (2023: Rs.2.523 millions).			
	Note	2024 Rupees	2023 Rupees
<b>37 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Local</b>			
Commission		887,510	139,972
Forwarding charges			
		887,510	139,972
<b>Export</b>			
Ocean freight		18,750	93,042
Forwarding charges		14,358,494	3,695,073
Commission on export		-	-
Export development surcharge		1,476,169	471,589
Export trailer charges		1,654,268	1,243,700
Export bank charges		11,026,764	2,519,968
Others		19,240	9,690
		28,553,685	8,033,062
		29,441,195	8,173,034

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	Note	2024 Rupees	2023 Rupees
<b>38 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and benefits	38.1	13,687,314	14,452,609
Travelling and conveyance		8,283,243	5,345,292
Legal and professional		3,919,786	2,632,232
Fee and subscription		4,027,850	2,014,359
Rent, rates and taxes		983,022	729,239
Electricity, gas and water		547,063	1,833,764
Insurance		1,284,322	645,516
Repair and maintenance		27,189	275,000
Communication		728,785	469,051
Printing and stationery		41,545	26,115
Vehicle running and maintenance		-	-
Advertisement		714,567	413,150
Entertainment		158,709	-
Auditor's remuneration	38.2	475,125	400,000
Depreciation	21.1.2	8,193,836	4,992,568
Miscellaneous expenses		675,958	4,588,595
		<b>43,748,314</b>	<b>38,817,490</b>
<b>38.1</b>	These include charge in respect of employees retirement benefits amounting to Rs.1.78 millions (2023: Rs.3.18 millions).		
<b>38.2 Auditor's remuneration</b>	Note	2024 Rupees	2023 Rupees
Annual statutory audit		422,625	350,000
Half yearly review		52,500	50,000
		<b>475,125</b>	<b>400,000</b>
<b>39 OTHER INCOME</b>	Note	2024 Rupees	2023 Rupees
<b>Gain on financial instruments</b>			
Foreign exchange gain		-	14,793,722
Return on bank deposits		1,927,765	2,569,551
Return on term deposit receipts		12,599,535	20,205,454
Return on Sui Gas security deposits		991,327	-
Unrealised gain on short term investments	32	93,437	-
Dividend income		67,507	80,000
		<b>15,679,571</b>	<b>37,648,727</b>
<b>Other income</b>			
Gain on disposal of operating fixed assets	21.1.1	15,358,661	3,269,069
Mark up waived off	10.1	-	98,879,915
Bad debts recovered		-	37,753,398
Agricultural Income		4,379,988	-
Rental income		27,998,971	29,355,658
		<b>47,737,620</b>	<b>169,258,040</b>
		<b>63,417,191</b>	<b>206,906,767</b>

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	Note	2024	2023
		Rupees	Rupees
<b>40 FINANCE COST</b>			
Interest on workers' profit participation fund	14.2	444,840	109,626
Interest on Workers' Welfare Fund		268,968	-
Bank charges		1,055,065	374,898
		<u>1,768,873</u>	<u>484,524</u>
	Note	2024	2023
		Rupees	Rupees
<b>41 OTHER EXPENSES</b>			
Workers' profit participation fund	14.2	-	3,817,260
Workers' Welfare fund	14.3	1,177,814	1,448,366
ECL for doubtful debts		1,568,727	3,069,125
Loss on revaluation of fixed assets		-	82,917,737
Foreign Exchange loss		679,928	-
Realised loss on short term investments		-	995
Depreciation on Investment Property	22.2	2,784,135	2,855,523
		<u>6,210,604</u>	<u>94,109,006</u>
	Note	2024	2023
		Rupees	Rupees
<b>42 Levies</b>			
Minimum Tax		2,355,021	-
Final Tax		5,728,712	1,808,325
		<u>8,083,733</u>	<u>1,808,325</u>
<b>43 TAXATION</b>			
Current taxation			
current year		10,572,129	16,634,506
prior year		(5,020,414)	(7,565,590)
		5,551,715	9,068,916
Deferred taxation		82,242,499	(36,689,776)
		<u>87,794,214</u>	<u>(27,620,860)</u>
<b>43.1 Numerical reconciliation between the average tax rate and the applicable tax rate</b>			
		%	%
Applicable tax rate		0.29	-
<b>Tax effect of amounts that are:</b>			
Tax at applicable rate of 29%		(0.82)	-
Prior Year Tax reversal		0.39	-
Permanent Differences		(0.74)	-
Minimum tax		(0.18)	-
Impact of Deferred Tax		(6.42)	-
		(7.77)	-
		<u>(7.49)</u>	<u>-</u>
<b>43.2</b>	Provision for current tax for the year has been made in accordance with section 18 and section 154 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized up to tax year 2023.		
<b>43.3</b>	Assessments for the tax years up to 2023 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filed by the Company.		
<b>43.4</b>	The Government of Pakistan vide Finance Act 2016 notified 29% for tax year 2024.		
	Unit	2024	2023
<b>44 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	Rupees	(108,697,939)	93,712,371
Weighted average number of ordinary shares outstanding during the year	No. of shares	17,636,719	17,636,719
Earning per share - Basic	Rupees	(6.16)	5.31
There is no anti-dilutive effect on the basic profit/loss per share of the Company.			
<b>45 CASH GENERATED FROM OPERATIONS</b>			
Profit before levies and taxation		(12,819,992)	67,899,836
Adjustments for non-cash and other items			

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(Gain)/Loss on disposal of operating fixed assets		(15,358,661)	(3,269,069)
Provision for employees retirement benefits		3,505,764	5,698,275
Changes in fair value investments at fair value through profit or loss		(93,437)	995
Finance cost		1,768,873	484,524
Loss on revaluation		-	82,917,737
Depreciation		25,477,224	22,668,006
		15,299,763	108,500,468
<b>Operating profit / (loss) before changes in working capital</b>		<b>2,479,771</b>	<b>176,400,304</b>
<b>Changes in working capital</b>			
Stores, spares and loose tools		(51,303,480)	(2,536,596)
Stock in trade		(12,427,619)	(23,297,954)
Trade debts		30,487,568	(70,891,880)
Advances, prepayments and other receivables		(4,603,533)	(17,480,311)
Trade and other payables		73,894,522	(10,424,749)
		36,047,458	(124,631,490)
<b>Cash generated from/(used in) operations</b>		<b>38,527,229</b>	<b>51,768,814</b>
<b>46 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	33	28,453,912	27,354,135
		<b>28,453,912</b>	<b>27,354,135</b>

## 47 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and undertakings and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Details of transactions and balances with related parties is as follows:

		2024	2023
		Rupees	Rupees
<b>47.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Directors	<b>Short term borrowings obtained</b>		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	6,890,000	18,034,245
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	-	4,000,000
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	1,425,000	190,750,000
	(Mr. M. Afwan Shahid, 12.02% Shareholding, Director)	500,000	90,550,000
	<b>Short term borrowings repaid</b>		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	3,000,000	10,000,000
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	-	-
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	23,350,000	88,775,000
	(Mr. M. Afwan Shahid, 12.02% Shareholding, Director)	1,500,000	26,775,000
Associate	<b>Short term borrowings repaid</b>		
	(Delta Oil Mills (Pvt) Limited, Common Directorship)	-	-
<b>Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balances</b>		
Directors	<b>Equity</b>		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	130,000,000	130,000,000
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	10,000,000	10,000,000
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	50,000,000	50,000,000
	(Mr. M. Afwan Shahid, 12.02% Shareholding, Director)	20,000,000	20,000,000
	<b>Total</b>	<b>210,000,000</b>	<b>210,000,000</b>
	<b>Short term borrowings</b>		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	36,391,317	32,501,317
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	22,525,000	22,525,000
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	44,150,000	66,075,000
	(Mr. M. Afwan Shahid, 12.02% Shareholding, Director)	49,025,000	50,025,000
	<b>Total</b>	<b>152,091,317</b>	<b>171,126,317</b>

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## 48 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	Note	2024	2023
		Rupees	Rupees
<b>Financial assets</b>			
Cash in hand	33	15,783	2,100
<b>Financial assets at amortized cost</b>			
Long term deposits	23	28,198,874	28,198,874
Trade debts	27	95,565,890	127,622,186
Security deposits	29	3,560,000	3,560,000
Loans and Advances	28	5,524,927	558,780
Other receivables	30	2,490,845	2,894,139
Short term investments	32	37,500,000	37,500,000
Cash at bank	33	28,438,129	27,352,035
		201,278,665	227,686,014
<b>Financial assets at fair value through profit or loss</b>			
Short term investments	32	362,046	268,609
		201,656,494	227,956,723
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost</b>			
Long term finances	10	303,945,384	347,188,608
Employees benefit obligation	12	7,646,946	11,081,534
Short term payables	14	40,678,309	40,678,309
Long term payables	11	1,600,000	680,000
Short term borrowings	16	362,091,317	381,126,317
Accrued interest/markup	15	-	-
Trade creditors	14	114,268,479	99,228,190
Ijarah rentals payables	18	28,544,690	28,544,690
Accrued liabilities	14	24,292,643	22,291,322
		883,067,768	930,818,970

## 49 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

### 49.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

#### 49.1.1 Maximum exposure to credit risk

The maximum exposure to credit risk as at the reporting date is as follows:

	Note	2024	2023
		Rupees	Rupees
Long term deposits	23	28,198,874	28,198,874
Trade debts	27	95,565,890	127,622,186
Security deposits	29	3,560,000	3,560,000
Loans and Advances	28	5,524,927	558,780
Other receivables	30	2,490,845	2,894,139
		135,340,536	162,833,979

#### 49.1.2 Concentration of credit risk

The Company's maximum exposure to credit risk, as at the reporting date, by type of geographical regions is as follows:

	Note	2024	2023
		Rupees	Rupees
Pakistan	27	18,321,279	20,712,256
Europe	27	87,954,320	106,909,930
		106,275,599	127,622,186

#### 49.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

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(a) *Counterparties with external credit ratings*

These include banking companies and financial institutions, which are counterparties to 'insurance claims receivable', 'security deposits' and 'cash at bank'. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

(b) *Counterparties without external credit ratings*

These include customers which are counter parties to 'trade debts' and utility companies and regulatory authorities which are counter parties to 'long term deposits'. Credit risk in respect of long term deposits' is considered to be insignificant as non-performance by these parties is not expected. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts as at the reporting date is as follows:

Note	2024		2023	
	Gross carrying amount Rupees	Accumulated Impairment Rupees	Gross carrying amount Rupees	Accumulated Impairment Rupees
Neither past due nor impaired	-	-	-	-
Past due by 0 to 30 days	78,952,361	-	46,223,260	-
Past due by 31 to 90 days	1,868	-	63,274,227	-
Past due by 90 days to one year	112,378	-	461,005	-
Over one year	28,777,719	(12,278,436)	28,373,403	10,709,708
	<b>107,844,326</b>	<b>(12,278,436)</b>	<b>138,331,895</b>	<b>10,709,708</b>

49.1.4 **Collateral held**

The Company does not hold any collateral to secure its financial assets.

49.1.5 **Credit risk management**

As mentioned in note 49.1.3 to the financial statements, the Company's financial assets do not carry significant credit risk, with the exception of trade debts, which are exposed to losses arising from any non-performance by customers. In respect of trade debts, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

49.2 **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

49.2.1 **Exposure to liquidity risk**

The following is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	2024				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	303,945,384	303,945,384	303,945,384	-	-
Short term borrowings	362,091,317	362,091,317	362,091,317	-	-
Accrued interest/markup	-	-	-	-	-
Trade creditors	114,268,479	114,268,479	114,268,479	-	-
Ijarah rentals payable	28,544,690	28,544,690	28,544,690	-	-
Accrued liabilities	24,292,643	24,292,643	24,292,643	-	-
	<b>833,142,513</b>	<b>833,142,513</b>	<b>833,142,513</b>	<b>-</b>	<b>-</b>
	2023				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	347,188,608	347,188,608	347,188,608	-	-
Short term borrowings	261,126,317	261,126,317	261,126,317	-	-
Accrued interest/markup	-	-	-	-	-
Trade creditors	99,228,190	99,228,190	99,228,190	-	-
Ijarah rentals payable	28,544,690	28,544,690	28,544,690	-	-
Accrued liabilities	22,291,322	22,291,322	22,291,322	-	-
	<b>758,379,127</b>	<b>758,379,127</b>	<b>758,379,127</b>	<b>-</b>	<b>-</b>

49.2.2 **Overdue financial liabilities**

As at the reporting date, the following debt finances and accrued interest/markup thereon are overdue.

	Note	2024	2023
		Rupees	Rupees
Long term finances	10	-	4,005,608
Ijarah rentals payable	18	28,544,690	28,544,690
Short term borrowings	16	-	-
Accrued interest/mark-up	15	-	-
		<b>28,544,690</b>	<b>32,550,298</b>



# Shadman Cotton Mills Limited

## 49.2.3 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also has continued financial support from its directors in the form of interest free loans for any short term or long term liquidity requirements.

## 49.3 Market risk

### 49.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

#### (a) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	Note	2024	2023
		Rupees	Rupees
<i>Financial assets</i>			
Trade debts		87,954,320	117,619,639
Bank Accounts-FCY		8,814,034	11,328,394
<i>Financial liabilities</i>		-	-
<i>Net exposure</i>		<u>96,768,354</u>	<u>128,948,033</u>

#### (b) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	Rupees	Rupees	Rupees	Rupees
USD	278.04	278.04	286.18	286.18

#### (c) Sensitivity analysis

A ten percent appreciation in Pak Rupee against foreign currencies would have decreased profit for the year by Rs.9.68 million (2023: Rs. 12.89 million). A ten percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

#### (d) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

### 49.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

#### (a) Interest/markup bearing financial instruments

The effective interest/markup rates for interest/markup bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/markup bearing financial instruments as at the reporting date are as follows:

# Shadman Cotton Mills Limited

	Note	2024	2023
		Rupees	Rupees
<i>Fixed rate instruments</i>			
Financial assets		-	-
Financial liabilities		-	-
<i>Variable rate instruments</i>			
Financial assets		44,730,356	37,530,787
Financial liabilities		851,128,179	897,446,114

(b) *Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

(c) *Cash flow sensitivity analysis for variable rate instruments and cash flow hedges*

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs.8,511,281.790 million (2023: Rs. 6.368 million). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

(d) *Interest rate risk management*

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

#### 49.3.3 Other Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investment in listed equity securities.

A ten percent appreciation in prices of equity securities as at reporting date would have increased profit for the year by Rs.0.04 million (2023: Rs. 0.27 millions). A ten percent diminution in prices of equity securities as at the reporting date would have had equal but opposite effect on profit. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

## 50 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. These are subject to operational conditions both internal and external, and generation of cash flows for working capital requirements and meeting of debt obligations. Any temporary shortfall is met through interest free loans from directors. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders and seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances and liabilities against assets subject to finances lease, including current maturity. Total capital employed includes total equity, as shown in the balance sheet plus surplus on revaluation of property, plant and equipment, plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	Unit	2024	2023
Total debt	Rupees	303,945,384	347,188,608
Total equity	Rupees	818,016,551	922,663,690
		<u>1,121,961,935</u>	<u>1,269,852,298</u>
Gearing	% age	<u>27.09%</u>	<u>27.34%</u>

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finances, including the impact, if any, of recovery suits filed by them against the Company. See note 20.

# Shadman Cotton Mills Limited

## 51 FAIR VALUE MEASUREMENTS

### 51.1 Financial Instruments

#### 51.1.1 Financial instruments measured at fair value

The Company measures some of its assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

a) Recurring fair value measurements				
Nature of asset	Hierarchy	Valuation techniques/Key inputs	2024	2023
			Rupees	Rupees
<b>Financial assets at fair value through profit or loss</b>				
Short term investments	Level 1	Quoted prices in an active market	362,046	268,609
b) Non-recurring fair value measurements				
There are no non-recurring fair value measurements as at the reporting date.				

#### 51.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

### 51.2 Assets and liabilities other than financial instruments.

#### 51.2.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	2024	2023
				Rupees	Rupees
Freehold land	-	456,797,263	-	456,797,263	501,200,000
Factory building	-	356,265,000	-	356,265,000	365,400,000
Plant and machinery	-	185,143,467	-	185,143,467	255,000,000
Short term investments	362,046	-	-	362,046	268,609

The fair valuation of the revalued assets are considered to represent a level 2 valuation of fair value hierarchy based on significant observable inputs. The fair values are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the observable inputs. The basis of revaluation for items of these fixed assets were as follows:

#### Freehold land:

Revalued amount of freehold land has been determined by reference to local market values of land taking into account prevailing fair market prices under the position and circumstances present on the date of revaluation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas.

#### Building:

Revalued amount of building has been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical condition and level of preventive maintenance carried out by the Company.

# Shadman Cotton Mills Limited

## Plant and machinery:

Valuation is based on inquiries from the local manufacturers / suppliers of the similar machinery that was compared to the prices of machinery and equipment installed in other comparable companies and the information provided by the client. The invoice value was enhanced to about 20% to cater for the duty structure and overheads like insurance, clearing and freight costs and installation etc to come to the landed cost, which was compared with the prices of equivalent and similar machinery.

### 51.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

52 RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY	Note	2024	2023
		Rupees	Rupees
<b>Mortgages and charges</b>			
Charge over current assets		638,670,000	762,670,000
Charge over fixed assets		746,667,000	904,670,000

### 53 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	2024		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	-	2,432,100	29,986,667
Allowances and perquisites	-	1,197,900	14,993,333
	-	3,630,000	44,980,000
Number of persons	-	2	12
	2023		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	-	2,412,000	5,692,778
Allowances and perquisites	-	1,188,000	2,846,389
Post employment benefits	-	-	-
	-	3,600,000	8,539,167
Number of persons	-	2	3

The chief executive and directors are provided with cars maintained by the Company and telephone at their residence. The chief executive and other directors have waived their meeting fees and remuneration.

### 54 SEGMENT INFORMATION

54.1 The Company is a single reportable segment.

#### 54.2 Geographical information

The geographic information analyses the entity's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	2024
UK	62,622,776
Portugal	79,407,878
Spain	173,161,829
Germany	15,516,402
Poland	212,196,266
Pakistan	222,313,967
	765,219,118
less: Sales tax	(33,912,300)
	731,306,818

# Shadman Cotton Mills Limited

## 54.3 Information about significant customers

There are three significant external customer " Rhodi suppliers, Fashion Division Int. Trade Spain & Boohoo.com UK Limited" to whom sales in excess of 10% of the Company's total sales were made during the year.

54.4 All non-current assets of the Company are situated in Pakistan.

54.5 All sales of the Company have originated from Pakistan.

## 55 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are 162 (2023: 159). Average number of persons employed by the Company during the year are 161 (2023: 153).

## 56 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, subject to appropriateness of going concern assumption, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

## 57 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	2024	2023
<i>Owned</i>			
Total number of spindles installed	No.	39,336	43,944
Average number of spindles worked	No.	-	-
Number of shifts worked per day	No.	-	-
Plant capacity on the basis of utilization converted into 20s count	Kgs	-	-
Actual production converted into 20s count	Kgs	-	-

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist etc. It would also vary according to pattern of production adopted in a particular year.

The company has installed apparel division with main component of 76 sewing machines. The capacity of these machines cannot be determined as these vary very widely with the product and design of the articles produced.

## 58 EVENTS AFTER BALANCE SHEET DATE

There is no event after the reporting period requiring any adjustment in or disclosure in financial statements.

## 59 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on November 06, 2024 by the Board of Directors of the Company.

## 60 GENERAL

60.1 Figures have been rounded off to the nearest rupee.

60.2 Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. Following are significant reclassifications made during the year.

Description	Reclassified from	Reclassified to	Note	Amount
GIDC Payable	Long term payables	Trade and other payables	14	22,361,383
ETO Payble	Long term payables	Trade and other payables	14	18,316,926
Security deposit	Trade and other payables	Long term payables	11	1,600,000

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Shadman Cotton Mills Limited

## SHADMAN COTTON MILLS LIMITED PATTERN OF SHAREHOLDINGS AS ON JUNE 30TH, 2024

Number of ShareHolders	Shareholdings		Total Number of Share Held	Percentage of Total Capital
	From	To		
564	1 -	100	14,956	0.08
227	101 -	500	51,763	0.29
146	501 -	1000	105,071	0.60
113	1001 -	5000	229,507	1.30
8	5001 -	10000	46,215	0.26
6	10001 -	15000	80,163	0.45
2	15001 -	20000	31,179	0.18
4	20001 -	25000	82,559	0.47
1	25001 -	30000	29,121	0.17
1	35001 -	40000	39,632	0.22
2	50001 -	55000	102,484	0.58
1	70001 -	75000	74,016	0.42
2	105001 -	110000	213,308	1.21
1	400001 -	405000	401,566	2.28
1	515001 -	520000	519,793	2.95
2	2115001 -	2120000	4,240,000	24.04
1	3065001 -	3070000	3,065,303	17.38
1	8310001 -	8315000	8,310,083	47.12
1,083			17,636,719	100.00

# Shadman Cotton Mills Limited

## SHADMAN COTTON MILLS LIMITED CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2024

SR. #	NAME	SHARES HELD	PERCENTAGE
<b>Directors, Chief Executive Officer, and their spouse and minor children</b>			
1	Muhammad Akhtar	939	0.0053
2	MR. HAMID BASIR	500	0.0028
3	MR. NADEEM BHATTI	500	0.0028
4	MUHAMMAD AFNAN SHAHID	2,120,000	12.0204
5	AHMED BIN SHAHID	2,120,000	12.0204
6	SHAHID MAZHAR	11,376,386	64.5040
7	GHAZALA SHAHID	401,566	2.2769
	<b>Running Total:</b>	<b>16,019,891</b>	<b>90.8326</b>
<b>Individuals</b>			
	<b>Running Total:</b>	<b>1,608,597</b>	<b>9.1207</b>
<b>NIT and ICP</b>			
1	M/S. INVESTMENT CORPORATION OF PAKISTAN	479	0.0027
2	M/S. NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	2,500	0.0142
	<b>Running Total:</b>	<b>2,979</b>	<b>0.0169</b>
<b>Banks, Development Financial Institutions, Non Banking Financial Institutions</b>			
1	IDBL (ICP UNIT)	600	0.0034
2	NATIONAL BANK OF PAKISTAN LTD.	2	0.0000
	<b>Running Total:</b>	<b>602</b>	<b>0.0034</b>
<b>Others</b>			
1	M/S. COLOMBY TRADING LTD.	100	0.0006
2	AWJ SECURITIES (PRIVATE) LIMITED.	386	0.0022
3	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED	27	0.0002
4	FIKREES (PRIVATE) LIMITED	1,000	0.0057
5	MAPLE LEAF CAPITAL LIMITED	1	0.0000
6	CAPITAL VISION SECURITIES (PVT) LTD.	1,361	0.0077
7	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	500	0.0028
8	Y.S. SECURITIES & SERVICES (PVT) LTD.	78	0.0004
9	NH HOLDINGS (PVT) LTD	1,077	0.0061
10	NH SECURITIES (PVT) LIMITED.	120	0.0007
	<b>Running Total:</b>	<b>4,650</b>	<b>0.0264</b>
	<b>Grand Total:</b>	<b>17,636,719</b>	<b>100.0000</b>

# Shadman Cotton Mills Limited

Folio No./CDC Participant ID

And Account No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

## PROXY FORM

I/We \_\_\_\_\_ Son / Daughter / Wife of \_\_\_\_\_ being member(s) of **Shadman Cotton Mills Limited** and holder of \_\_\_\_\_ Ordinary Shares as per Registered Folio No. /CDC Participant ID No./Account No. \_\_\_\_\_ do hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ who is also member of **Shadman Cotton Mills Limited**, vide registered folio no./CDC/ Participant ID No. and Account No. \_\_\_\_\_ as my / our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **Wednesday, November 27, 2024 at 10.30 a.m.** at 2-E, Block-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, Lahore and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2024

1. Witness:

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_

Please affix here Revenue Stamp of Rs.5/-
_____ Members' Signature

### Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as his / her proxy to attend and vote on his / her behalf. Proxies in order to be valid must be received at the Registered Office of the Company 48 hours before the time of the meeting. A proxy must be a member of the Company.
2. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his / her original CNIC or Passport to prove his / her identity and in case of proxy must encloses an attested copy of his / her CNIC or Passport. Representative of corporate members should bring the usual documents required for such purposes.
3. Signature should agree with specimen signature registered with the company.



فولڈیئر / CDC پارٹنیشنمنٹ نمبر (شرکت نمبر)

کھانا نمبر:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

## پراکسی فارم

میں اہم  
جوائنٹ انٹرنیٹ  
شادمان کاش ٹریڈنگ ایجنسی اور ریٹیل  
سی ڈی سی ڈی پارٹنیشنمنٹ (سرکٹ) آئی ڈی اور اکاؤنٹ (کھانا) نمبر:  
نمبر  
یاد ہم موجودگی کی صورت میں، مندرجہ  
کا کے  
بھی جو کہ شادمان کاش ٹریڈنگ ایجنسی اور ریٹیل کے ملاحظہ شدہ فولڈیئر سی ڈی سی پارٹنیشنمنٹ  
(شرکت) آئی ڈی اور اکاؤنٹ (کھانا) نمبر: کو اپنے اہلکاروں کو 27 نومبر 2024 بروز بدھ صبح 10:30 بجے منعقد ہونے والے کھیتی کے سالانہ اجلاس عام میں حق رائے دہی  
استعمال کرنے یا کسی بھی صورت میں اپنا اہلکار کسی مقرر کرتا ہوں کرتے ہیں۔

آج بروز \_\_\_\_\_ تاریخ \_\_\_\_\_، 2024ء بطور کار و دستخط کے ہے۔

1) گواہ:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

2) گواہ:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

نوٹ:

- 1- کوئی بھی رکن (ممبر) جو سالانہ اجلاس میں شرکت کرنے کو روک دینے کا ارادہ رکھتا ہے وہ اجلاس میں شرکت کرنے کو روک دینے کے لئے کسی دوسرے رکن (ممبر) کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی مقرر ہونے کے لیے اجلاس کے انعقاد سے 48 گھنٹے قبل کھیتی کے دفتر میں رجسٹرڈ آفس میں موصول ہونی چاہیے۔ پراکسی کارکن (ممبر) ہونا لازمی ہے۔
- 2- سی ڈی سی ڈی پارٹنیشنمنٹ کے اہلکاروں میں شرکت کے اہل ہیں اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اپنی شناخت کے لیے پیش کرنا۔ پراکسی کی صورت میں اپنے قومی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق منسلک کریں۔ کارپوریشن ممبرز کے نامزد جان شناخت کے لیے اس موقع پر درکار معمول کی دوا و بنا استمراہ لے کر آئیں۔

پانچ روپے مالیت کی رسیدی  
تکٹ چسپاں کریں

ممبر کے دستخط